

KEY ECONOMIC ANNOUNCEMENTS

Economic and Fiscal Outlook

The 2022-23 NSW Budget comprises the following:

- A budget deficit of \$11.3 billion is projected for 2022-23 with NSW on track for a return to surplus by 2024-25 worth \$0.6 billion. To manage the debt, initiatives will include the sale of the WestConnex asset (\$11.1 billion), debt retirement (\$11 billion) and sustainability bonds (\$7 billion).
- Net debt is projected to be 7.8% of Gross State Product (GSP) (\$53.5 billion) at June 2022. By June 2023, net debt to GSP is estimated at about 10.4%.
- Over the four years to 2025-26, revenue is forecast to increase by \$25.7 billion. General government sector revenue is estimated to total \$103.6 billion in 2022-23.
- GSP growth is forecast to average 2.5% over the five years to 2025-26. Net worth is forecasted at \$280.3 billion at June 2026.
- The unemployment rate has fallen to a historically low level of 4.0% in May 2022 and is expected to remain at or below the level consistent with full employment (around 4%) for the forecast period.
- A strong labour market is expected to drive higher wages. For the public sector, this is supported by the new wages policy which increases remuneration by 3.0% in 2022-23 and 2023-24.
- Strong growth in the demand for goods at a time of strained global supply and tight labour markets has driven up inflation.

FUTURE PIPELINE OF INVESTMENTS

Infrastructure

In the 2022-2023 Budget, the NSW government committed to infrastructure investment as a key driver of long-term growth, with a record \$112.7 billion over four-years, including the following key projects:

Transport (\$76.7 billion)

- \$12.4 billion over four years for Sydney Metro West.
- \$8.4 billion over four years for Sydney Metro Western Sydney Airport.
- \$4.1 billion over four years for the Western Harbour Tunnel Upgrade and Beaches Link Planning.
- \$3.2 billion over four years for the Great Western Highway Upgrade.
- \$1.4 billion over four years for the Coffs Harbour Bypass.
- \$1.4 billion over four years for the Pacific Motorway (M1) to Raymond Terrace.
- \$885.1 million over four years for the Newell Highway Upgrade.
- \$835.0 million for the John Hunter Health and Innovation Precinct.
- \$835.6 million over four years for the Regional Rail Fleet.
- \$342.4 million over four years for the Transport Access Program.
- \$216.4 million over four years to further refine the pre-concept design options for the Circular Quay Precinct Renewal.

Health (\$11.9 billion)

- \$1.3 billion for new Bankstown Hospital.
- \$1.0 billion for Nepean Hospital and Integrated Ambulatory Services Stage 1 and 2.
- \$835 million for John Hunter Health and Innovation Precinct.
- \$615.5 million for the NSW Ambulance Infrastructure Program.
- \$632 million for Campbelltown Hospital Redevelopment Stage 2, Mental Health and South West Paediatric Service.
- \$263.8 million for the Grafton Base Hospital Redevelopment.

Education and skills (\$9.2 billion)

- \$1.4 billion over the four years to 2025-26 to deliver 23 new and upgraded school projects and additional funding for the minor works program.
- \$1.2 billion for maintenance at public schools including an additional \$480.3 million (recurrent) in 2022-23.
- \$20.2 million to increase the number of women participation in the construction industry. This will lower the gender pay gap and ensure skilled workforce required to deliver record infrastructure pipeline.

Digitalisation

- \$342.4 million to boost support for the commercialisation of products, services and emerging digital technologies in fields that will grow the economy and provide targeted support to research institutions, start-ups, scale-ups and small-to-medium enterprise sectors.

Housing

- \$2.1 billion in the development and delivery of new housing sites over the four years to 2025-26 by Landcom (the NSW government's land and property development organisation), including delivering 15,600 dwelling sites to the market over the same period.
- \$300.0 million for a third round of the Accelerated Infrastructure Fund, including \$120.0 million for regional areas, to co-fund critical housing-enabling infrastructure.
- \$89.0 million to reduce planning assessment timeframes and bring forward housing supply.
- \$73.5 million to undertake strategic planning and rezoning in NSW-led precincts to increase capacity for new housing and employment opportunities.
- \$33.8 million for the Regional Housing Development Program to overcome data gaps and coordination and planning barriers to secure a pipeline of housing supply in regional NSW.
- \$32.0 million to deliver planning and infrastructure upgrades to First Nations communities through the Roads to Home program, supporting access to essential services.

SUPPORT FOR SMALL AND MEDIUM-SIZED BUSINESS

The NSW government announced a range of measures to support NSW small and medium businesses including:

- \$12.0 million to establish the Carla Zampatti Fund (a women's venture capital fund) to support female entrepreneurs and small business owners, including \$10.0 million for the fund and \$2.0 million for establishment and operation.
- \$9.5 million for dedicated support for female business owners through Service for Business and Business Connect programs.

NSW BUDGET SUMMARY

2022-23



- \$520.0 million over two years to deliver the new broad-based Toll Rebate Scheme where, every quarter, eligible small business customers will receive a 40% cash rebate for every dollar spent on tolls once they have reached a minimum of \$375, saving NSW drivers up to \$750 a year.

In addition, \$100.0 million is set aside for the Regional Job Creation Fund to support NSW businesses to grow and incentivise interstate and international businesses to invest in regional NSW.