

Delivering on every front

Budgets are filled with numbers, but behind the figures are the things that matter most to the people of our great state. That's why responsible financial management is so important. In June, our 2018-19 NSW Budget showed that when governments manage public finances well, we can deliver for citizens on every front.

With the state's finances in surplus, record low net debt, and a strong economy, our June Budget made record investments in schools, hospitals, transport networks and frontline services, while doing more to help families meet cost of living pressures.

We also launched the NSW Generations Fund – a sovereign wealth fund that will ensure future generations aren't saddled with an unfair debt burden, while at the same time funding local community projects today through My Community Dividend.

In the six months since the Budget, new economic and fiscal challenges have arisen, so the fundamentals of responsible financial and economic management remain vital. We are doing even more to make NSW a better place to live, work, run a business and raise a family.

Our **\$500.0 million** Emergency Drought Relief Package will help farmers to better withstand drought, while our commitment to 1,500 new police will keep our communities safer. We have delivered dedicated funding to help families meet cost of living pressures, and an additional **\$6.4 billion** to 2027 in schools across the state, as part of the National School Reform Agreement.

Strong foundations to meet the challenges

Despite economic headwinds, the NSW economy and fiscal position remain strong with average annual surpluses of **\$1.3 billion** forecast over the four years to 2021-22.

This year, NSW became the first Australian state to have a net worth of a quarter of a trillion dollars, while net debt reached a historic low of negative **\$11.2 billion** at June 2018. This exceptional fiscal position is reflected in both major credit ratings agencies reaffirming NSW's Triple A credit rating in late 2018.

Above-trend economic growth is expected for 2018-19. Looking further ahead, the economy is expected to face pressure from a cooling housing market and the impact of drought. Growth in 2019-20 is expected to ease close to the trend of 2½ per cent.

Our work to rebuild NSW continues to gather pace, with new investments in roads, public transport and rail bringing our infrastructure program to a record **\$89.7 billion** over four years, a **\$2.5 billion** increase since the Budget.

And we're stepping up our commitment to give future generations a fair go, with an increase in the balance of NSW Generations Fund from **\$3.0 billion** to **\$10.0 billion**, made possible by the successful WestConnex transaction in August 2018.

These new commitments build on our June Budget's record investments in the services and infrastructure communities rely on, all while continuing our dedication to responsible financial management, with average surpluses of **\$1.3 billion** across the next four years.

It's our plan to keep NSW number one, and make our state a better place to live and work for families and communities across NSW.

Dominic Perrottet,
NSW Treasurer



Employing the nation

A strong economy means more jobs and better opportunities for our people, and the NSW labour market continues to lead the nation. Unemployment is at a decade low 4.4 per cent and has remained the lowest of any state since mid-2015, with around 150,000 more people employed in NSW in just the last year.

More NSW residents are participating in the workforce than ever before, with the participation rate reaching a record 65.2 per cent, including record female participation of 60.4 per cent and increasing youth participation of 68 per cent. The outlook for employment remains strong, with growth forecast to increase faster than our population, at 3 per cent in 2018-19.



Investing in our communities

Building for today's generation to support the next

Over the last seven years, the NSW Government has laid the foundations for a new era of growth and opportunity. Key to this has been our asset recycling program, allowing reinvestment into local communities. The 2018-19 Budget announced 170 new and upgraded schools, and the planning and development of over 40 new and upgraded hospital builds.

Since the Budget, the Government has announced the investment of **\$189.0 million** towards the full redevelopment of Griffith Hospital.

NSW Generations Fund

Securing tomorrow delivering today

Launched as part of the 2018-19 Budget, the NSW Generations Fund is a sovereign fund offering unprecedented stability and sustainability to the government's fiscal position across generations. The Fund's initial balance was **\$3.0 billion**. This has now been increased to **\$10.0 billion** – made possible by the recent WestConnex transaction.

Through the My Community Dividend, starting in 2019, the benefits of transactions like WestConnex will continue to be shared by everyone in NSW for years to come.

Setting the future success of NSW National Schools Reform Agreement (Gonski 2.0)

In November 2018, the NSW Government committed an additional **\$6.4 billion** over 10 years into the future of the children of NSW.

NSW's Gonski 2.0 agreement with the Commonwealth Government was signed with the aim of ensuring every child in NSW, no matter where they live, their family circumstances, or the school they attend, is given every opportunity at the best start in life and delivering the education to help children get the jobs for the future.



NSW Government

Investing in our regions

Improving growth and prosperity of our state

Since the 2018-19 Budget, the Government has approved **\$763.0 million** in new Restart NSW commitments, for the delivery of infrastructure projects right across the state. In total, 30 per cent of Restart NSW funding is targeted at regional areas over the life of the fund. New regional commitments include projects funded through the Regional Growth: Economic Activation Fund, water security projects and a variety of regional road upgrades to improve key freight corridors.



Protecting our most vulnerable

NSW Police Force



1,500 more police for our communities

The Government recently announced the largest increase in police resourcing in more than 30 years, with an investment of **\$583.6 million**.

This investment will deliver 1,500 extra police to better serve and protect the people of NSW. The commitment will enable deployment of specialists in areas such as domestic violence and child protection.

Protecting our children from harm

In October 2018, the NSW Government announced an extensive **\$127.2 million** funding package to ensure children in our state are safe and are protected and supported by the institutions entrusted with their care.

This investment, in response to the Royal Commission into Institutional Responses to Child Sexual Abuse, is in addition to the Government's existing commitments to the National Redress Scheme and criminal justice and civil litigation law reforms.

Supporting our farmers through their toughest years yet

Nearly all of NSW was recently declared drought affected, hurting farmers and the agricultural industry that are critical to the livelihood of our state.

Our government acted to assist those affected by drought through our **\$500.0 million** Emergency Drought Relief Package. This package will help fund vital support for our farmers and regional communities, including transport subsidies and farming fee cuts, registration waivers for agricultural vehicles as well as rural mental health and counselling services.



Connecting our people to the services they need

With a growing population, the need for better infrastructure across NSW has never been more urgent. Our Government is getting on with the job and our infrastructure pipeline is the envy of other states, reaching a new record **\$89.7 billion** over the next four years. This vital program will improve communities in every corner of NSW, delivering on every front including new and upgraded schools and hospitals, better roads and public transport and improved justice and emergency services infrastructure.

Snowy Hydro Fund

Re-investing in our communities

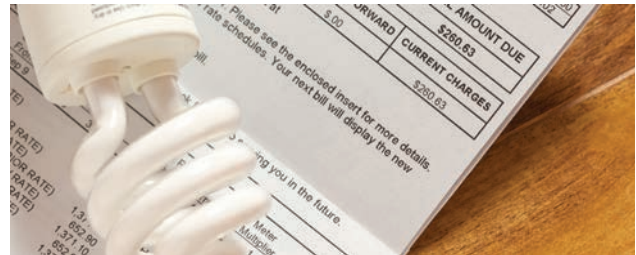
In June 2018, the Snowy Hydro Legacy Fund was established to facilitate the reinvestment of the proceeds from the sale of the State's share of Snowy Hydro into state-building infrastructure, dedicated to regional NSW communities. This investment will better connect our regions, bolstering the productivity and prosperity of regional communities now and into the future.

Easing the Cost of Living

Making your weekly budget stretch that little bit further is an important aim of the NSW Budget. Our Government has progressively introduced a range of cost of living support programs. Currently, there are more than 40 rebates and savings programs that are delivered across government.

Service NSW – a centre of support

A key element of the cost of living measures has been the introduction of the Cost of Living Advisory Service within Service NSW. Offering education and support to the residents of NSW, the service facilitates easy access to a range of rebates and concessions, including:



Homebuyers snap up stamp duty reforms

Reforms reducing stamp duty for first homebuyers have seen more than 43,200 enter the market since the policy began in 2017. Along with other reforms, first home buyers can save themselves up to **\$34,360** each. We are providing a fairer deal on future property transactions by indexing stamp duty brackets annually to the Sydney Consumer Price Index (CPI) from 1 July 2019.

Powering household savings

NSW households can save up to **\$1,500** per year on energy costs through our 'One-Click Energy Switch' website and the Energy Affordability Package designed to increase competition and drive down costs for families. Residents have already claimed around **\$300.0 million** in rebates.



Supporting the next generation

Supporting children in their formative years is vital for the future prosperity of our state. Programs such as Active Kids and Creative Kids make a real difference to the children of NSW.

The Active Kids program has seen families redeem close to **\$53.0 million** in rebates since January 2018. Similarly, launching in 2019, the Creative Kids program will offer **\$100** vouchers to eligible families to assist their children in creative pursuits.

From 1 January 2019, NSW parents will be eligible to receive a baby bundle including essential items with a retail value of **\$300**.

In addition, from 1 January 2019, parents will be able to access preschool for three-year olds, saving families on average **\$825** a year.

Road relief continues for residents

The Government has introduced a range of initiatives to help support road users right throughout the state.

The CTP Refund Scheme has seen 3.2 million policyholders claim **\$206.0 million** in CTP savings. In addition, more than 300,000 residents will benefit from the recently expanded toll relief program with the program extending free or heavily discounted car registration for road users who pay **\$15** a week or more on average over a year on tolls.

Parking fines have also recently been reviewed across the state. From 1 January 2019, an additional 42 state-issued parking fines will be reduced by 25 per cent. A 10-minute grace period will also be in place for motorists who have paid for parking of an hour or more.

We have also decreased the expense of having a caravan, with registration reduced by 40 per cent so more citizens can get out on the open road and explore our beautiful state.