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NSW BUDGET: IN CONTROL

Premier Mike Baird and Treasurer Andrew Constance have welcomed a significant turnaround in public finances reflected in the 2014-15 NSW Budget.

“The return to surplus one year earlier than forecast in the Half-Yearly Review shows that both the Budget, and the State economy, are in a strong position as a result of the fiscal policies implemented by the NSW Liberals & Nationals Government since 2011,” Mr Baird said.

“We inherited a Budget with an unsustainable debt trajectory, and an economy that had become the laggard of the nation.

“Three years later, we have secured the Budget, and are at or near the top of the nation on all leading economic indicators.

“I congratulate the Treasurer on his achievement, which places the Government in a perfect position to deliver Rebuilding NSW, a \$20 billion boost to infrastructure that will further turbocharge productivity and growth.”

NSW Treasurer Andrew Constance declared: “We are now in control of the NSW Budget, it is no longer controlling us.”

“After three years of transforming the way we spend and instilling discipline across government, we can now declare we are on a path to rebuilding,” Mr Constance said.

The 2014-15 Budget also delivers a significant improvement in the state’s Net Debt position. At 30 June 2014, Net Debt is estimated to be around \$8.6 billion, or about 1.7 per cent of Gross State Product, which is \$7.1 billion less than originally estimated.

“With the NSW economy growing by 4.7 per cent over the last year and with growth leading the nation for two consecutive quarters, the 2014-15 Budget capitalises on this confidence,” Mr Constance said.

“The headline budget result delivers a forecast deficit of \$283 million dollars for 2014-15, before an expected return to surplus of \$660 million in 2015-16.

“We’ll be well into the black next financial year, at the same time as cranes and construction crews begin to transform NSW.

“We are about to embark on a massive building program worth \$10.2 billion in the coming year alone.”

The 2014-15 Budget begins the heavy-lifting on the biggest infrastructure projects in Australian history:

- \$1.3 billion for the rebuilding and repair of our major hospitals
- \$863 million for the start of major construction of the North West Rail Link
- \$398 million for work on the 33km WestConnex motorway
- \$265 million for the start of major construction of the CBD and South East Light Rail project
- \$103 million to finalise construction of the South West Rail Link

All this is happening despite increased pressures, following ‘cost-shifting’ by the Commonwealth.

“We’ve taken a \$2.2 billion hit to our revenue expectations, courtesy of Canberra, and that does impact on our bottom line over the coming five years,” Mr Constance said.

This year NSW will invest \$220 million to retain health services and \$107 million to maintain pensioner concessions after the termination of National Partnership Agreements with the Federal Government.

“We are plugging the gap left to us by Canberra,” Mr Constance said.

“We can do that because we’ve got our budget settings right and our spending is in check.

“But we will in no uncertain terms, begin a conversation with the Commonwealth to reform the Federation.

“We are in a position of greater financial security, and we are now building on that for the benefit of future generations of this state.”

MEDIA: Rachael Storey 0467 741 310 (Premier)
Josh Murphy 0409 086 207 (Treasurer)