



Andrew Constance MP

NSW Treasurer

Minister for Industrial Relations

MEDIA RELEASE

Thursday 18 December 2014

NSW THE NUMBER ONE ECONOMY: HALF-YEARLY REVIEW FORECASTS FOUR YEARS OF BUDGET SURPLUSES

NSW Treasurer Andrew Constance has today released the Half-Yearly Review, which has forecast a Budget surplus of \$272 million in 2014-15 - a \$555 million improvement on the Budget-time forecast.

Across the forward estimates, a surplus of \$402 million is now forecast in 2015-16, a surplus of \$1.096 billion in 2016-17 and a surplus of \$1.038 billion in 2017-18.

Higher than expected property transfer duties are the significant driver of the 2014-15 surplus forecast, however it is partially offset by a softening in payroll tax and mining royalties.

Mr Constance said the economy is strong in response to the Government's policies of investing in the key drivers of growth – jobs, housing and infrastructure.

"In 2011, the NSW Liberals & Nationals took on the challenge of repairing the Budget and rebuilding NSW," Mr Constance said.

"We took on the job of reining in spending and put policies to work that grew the economy and restored NSW to number one.

"While the Australian economy is facing its challenges, NSW is riding a wave of prosperity built on the tough choices we made on coming to government.

"The 2014-15 Half-Yearly Review forecasts four years of Budget surpluses totalling \$2.808 billion – the result of a NSW Liberals & Nationals Government that lives within its means and invests in the key drivers of economic growth.

"Net debt is also now forecast to fall to \$9.3 billion in June 2015, compared to \$12.4 billion forecast at Budget-time.

"Our asset recycling program has delivered great results for the people of NSW, with capital locked up in lazy assets reinvested in the construction of new and more productive infrastructure.

"The proceeds from these asset transactions go into our dedicated infrastructure fund – Restart NSW – which has delivered \$8.8 billion for projects to get this State moving.

"The NSW Government can today announce \$2 billion from the balance of Restart has been reserved to support the delivery of the State Infrastructure Strategy.

“This will serve as a down-payment as we turbocharge infrastructure with the proceeds from a long-term lease of the electricity network businesses.”

Mr Constance said the NSW Budget is powerfully positioned and our economy is the envy of the nation.

“The National Accounts released earlier this month showed NSW surging ahead of the other states, with the strongest quarterly and annual growth in State Final Demand,” Mr Constance said.

“While NSW recorded positive growth of 1.3 per cent in the September quarter, Victoria, Queensland, South Australia and Western Australia all went backwards.

“This hasn’t come by accident. It is testament to the policies and economic credentials of the NSW Liberals & Nationals.

“As CommSec reported in its State of the States report in October, the NSW economy is back at number one after being ranked 8th under Labor.

“Housing approvals remain close to their highest levels in over a decade, we have the strongest retail sales growth among the states, and our unemployment rate remains the second lowest in the nation.

“Our triple-A credit rating is secure with Standard & Poor’s taking us off negative outlook, while Moody’s also reaffirmed our triple-A rating and stable outlook.

“Moody’s also made clear that if NSW weakens its resolve to bring expenditures in line with revenues, then they would consider downgrading our rating.

“This is a situation John Robertson is willing to accept. He has opposed every single one of our savings measures to bring the Budget under control and appears content to lump taxpayers with billions of dollars in additional interest costs.

“On the 28th of March, the people of NSW will face a clear choice.

“Whom do you trust out of Mike Baird and John Robertson to deliver a stronger economy, to build the infrastructure and services people are right to expect?

“The NSW Liberals & Nationals have a positive plan to rebuild NSW. Labor is stuck in the past and John Robertson is interested only in restoring privileges to his union bosses.”

NSW BUDGET RESULT:

	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m	2017-18 \$m
2014-15 Budget	988	-283	660	2155	1666
2014-15 Half-Yearly Review	1247 ^(a)	272	402	1096	1038
Change	259	555	-258	-1059	-627

(a) 2014-15 Actual Result as presented in the Total State Sector Accounts

MEDIA: Dominic Cuschieri 0467 741 503