



Mike Baird MP

NSW Treasurer
Minister for Industrial Relations

MEDIA RELEASE

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TREASURER WELCOMES IMPROVED 2012-13 BUDGET RESULT

NSW Treasurer Mike Baird today welcomed the final Budget result for 2012-13 of a \$239 million surplus.

The modest improvement on the estimate of a \$374 million deficit in the 2013-14 Budget adds momentum to the recovery in the State's fiscal position and creates additional capacity to invest in vital infrastructure.

The improvement largely arises from higher than estimated revenues, including stamp duty collections which contributed higher receipts of around \$198 million.

In addition, and similar to last year, the Commonwealth Government brought forward some payments to NSW. As a result, \$123 million was unexpectedly received in 2012-13 rather than 2013-14.

Mr Baird warned against reading too much into the result, which is included in the Total State Sector Accounts tabled today in Parliament.

The revenue outcome for 2012-13 was also affected by a number of one-off factors. The lease of Ports Botany and Kembla provided a one-off transfer duty receipt of \$215 million to the Government.

"Any surplus is encouraging, because it improves the State's credit metrics and bolsters our AAA rating, which was confirmed by Standard & Poor's last week," Mr Baird said.

"However, a significant feature of the revision to the estimate is extra Commonwealth grants being shovelled out the door in the dying days of the former Federal Labor Government.

"This is a one-off event and -- unlike policy changes affecting expenditure or revenues, or variations in economic growth -- does not represent any significant underlying change to NSW's finances.

"We also need to remember that these variations are inevitable, given the Budget relies on numbers available to the end of April. A revision of \$613 million represents barely one per cent of the total Budget or less than four days' worth of spending."

Mr Baird said the boost in stamp duty revenue was a positive sign for the State's property market, which has been assisted by the Government's targeted incentives, including the First Home Owner Grant.

The revised result for 2012-13 also includes a \$50 million reduction in spending, as departments across government continue to control expenses and cut waste.

“The 2012-13 final result confirms that, for the third year running, the NSW Liberals & Nationals Government has managed to bring in expenses lower than forecast – something Labor failed to achieve during the previous 16 years,” said Mr Baird.

“However, with economic conditions remaining soft and ongoing pressure on our revenues, especially from the GST, there is plenty of work to do before the State is on a path to a sustainable surplus position.

“The NSW Government was reminded of this just last week, when Standard & Poor’s kept our rating on negative outlook.

“It would be a terrible mistake if we now eased off in our commitment to control spending and eliminate waste.

“Managing expenses has allowed the Government to boost frontline services and commence the rollout of game-changing infrastructure initiatives such as WestConnex and the North West Rail.”

The NSW Half-Yearly Review will be released in December.

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