

NSW

BUDGET 2016-17



REGIONAL OVERVIEW

NSW Treasury
52 Martin Place
SYDNEY NSW 2000

www.treasury.nsw.gov.au
www.budget.nsw.gov.au

2016-17 NSW Budget publications include:

Budget Speech

Budget Overview

Regional Overview

Budget Paper No. 1 - Budget Statement

Budget Paper No. 2 - Infrastructure Statement

Budget Paper No. 3 - Budget Estimates

Budget Paper No. 4 - Appropriation Bills

Budget Paper No. 5 - Intergenerational Report

TREASURER'S MESSAGE	3
SUPPORTING THE REGIONS	4
NORTH COAST BUDGET HIGHLIGHTS	7
WESTERN NSW BUDGET HIGHLIGHTS	8
SOUTHERN NSW BUDGET HIGHLIGHTS	9
THE HUNTER AND CENTRAL COAST BUDGET HIGHLIGHTS	10
THE ILLAWARRA AND SOUTH COAST BUDGET HIGHLIGHTS	11

TREASURER'S MESSAGE



Regional NSW continues to have enormous potential

We are seeing amazing results in economic activity across regional NSW. In the last 12 months, regional NSW added 54,900 jobs, more than the regional jobs added across other states combined. Jobs growth for young people in our regions is particularly strong.

This is a great outcome for an area that makes up more than one third of the State's population.

Regional NSW has the largest and most diverse regional economy in Australia.

Construction in the regions has also been strong, with approvals for new houses at the highest level in a decade.

This Government is working hard to ensure that regional NSW can continue to grow and become an even greater destination for people to live, work and set up businesses. Notwithstanding these strong results, we appreciate there are challenges and our strong budget position allows us to well and truly deal with these at an unprecedented level.

This Budget commits a record **\$21.8 billion** in 2016-17 and **\$73.3 billion** over the forward estimates on infrastructure spending for hospitals, schools, water, social housing, roads and transport.

This spending delivers on the Government's commitment to allocate 30 per cent of total Restart NSW investments to regional areas. The Government has also committed to invest **\$6 billion** in projects in regional NSW from Rebuilding NSW. The Government will continue to work closely with regional communities to ensure the money is spent where it is needed most.

This Budget recognises regional NSW as an important and growing area of great value, as a major contributor to the State's economy and deserving of its fair share of investment.

Gladys Berejiklian MP
NSW Treasurer

SUPPORTING THE REGIONS



Investing in the regions:

\$1.7b

of Restart NSW expenditure commitments have been budgeted for regional NSW to date (excludes Rebuilding NSW plan)

54,900

jobs created in regional NSW in the last year to April 2016

With a projected population of 3.4 million by 2031 in regional NSW, the Government is continuing to support our regions by investing in economic and social infrastructure and delivering services.

The Government is on track to meet the Restart NSW priority infrastructure target of 30 per cent for our regions and to date has budgeted approximately **33 per cent** to regional NSW projects (excluding Rebuilding NSW).

In addition, the Government's **\$20 billion** Rebuilding NSW plan commits **\$6 billion** to infrastructure projects located in regional areas, including:

- **\$2 billion** for Regional Road Freight Corridors
- **\$1 billion** for Regional Growth Roads
- **\$1 billion** for a Regional Water Security and Supply Fund
- **\$500 million** for Fixing Country Roads
- **\$400 million** for Fixing Country Rail
- **\$300 million** for Regional Schools Renewal program
- **\$300 million** for Regional Multipurpose Services Facilities
- **\$300 million** for Regional Growth - Environment and Tourism Fund
- **\$200 million** for Bridges for the Bush.

We are investing in social and affordable housing through Phase 1 of the Social Housing Affordable Fund which has an explicit regional focus. The first round of procurement will seek proposals providing 3,000 additional social and affordable dwellings — **30 per cent** of which will be in regional NSW.

This builds on the significant contribution made by the Government since 2011 to new and upgraded infrastructure in our regions.

SUPPORTING THE REGIONS

Cross regional investments

There are a number of projects supported in the Budget that have cross-regional benefits.

- Stage 5 of the **Multipurpose Services (MPS) Strategy** project is under way to work on delivering integrated health services for rural and remote communities.
- The **Rural Ambulance Infrastructure Reconfiguration** project is working on responding to service demands in rural areas including continuing Rural Ambulance Station upgrades at Berry, Harden, Molong and Wagga Wagga.
- The **HealthOne Strategy** is progressing with 20 sites announced for development. Services provided at each HealthOne service centre will be tailored to meet the individual needs of the local community.
- A **Whole-of-System Digital Platform** will deliver clinical process improvements and reliable digital infrastructure resulting in safer, more appropriate and efficient healthcare delivery in our regional hospitals and enhanced telehealth capabilities and specialist diagnostic services for rural patients.
- \$110 million from Restart NSW has also been reserved for the **Regional Water and Waste Water Backlog Program**, to ensure that all towns in regional NSW have drinking water and wastewater services of acceptable quality.
- The **Next Generation Rail Fleet** will provide a new, state of the art fleet of intercity trains, including about 440 brand new carriages that will carry passengers to the Central Coast, Newcastle, the Blue Mountains and the Illawarra.
- The Budget provides **\$35 million** over four years to continue planning for replacement of the XPT rail fleet.

Fixing Country Roads

The NSW Government's Fixing Country Roads program (part of the Restart NSW fund) complements a number of critical regional infrastructure projects already under way and targets roads and bridges in local communities to make sure our transport and freight network assists regional producers, growers and businesses.

The program is helping fund vital road and bridge projects to better connect local roads to state highways and key freight hubs such as silos, saleyards, rail heads, supermarket distribution centres, industrial parks and depots. These connections help freight get from paddock and factory to their customer and port faster thereby reducing costs and enabling NSW producers and manufacturers to compete nationally and internationally.

In the 2016-17 Budget, the NSW Government has allocated a further **\$50 million** in funding for Fixing Country Roads as part of the Rebuilding NSW enhancement.

Bridges for the Bush

The Government's Bridges for the Bush program replaces and upgrades bridges on freight routes across **17 key locations** in regional NSW. The program has two key focuses — replacing or upgrading bridges to allow higher mass limits and replacing or upgrading heritage timber truss bridges to provide ongoing safe service levels.

Our bridge network is currently the biggest restriction to freight access. The Government's investment is critical to meet the demand for increased access of larger, safer and heavier freight vehicles on our roads, and improve our freight productivity.

Since the program commenced the NSW Government has committed **\$135 million** in Restart NSW funds for the Bridges for the Bush program.

Regional Health Infrastructure

The Regional Health Infrastructure program is fast-tracking infrastructure in regional areas of the State.

The Government has made a significant investment to date to fast-track a number of projects including the redevelopment of Lismore Hospital, a HealthOne facility in Coraki and planning for hospitals in Taree, Macksville, Armidale and Grafton.

In the 2016-17 Budget, the NSW Government has committed an additional **\$9 million** in Restart NSW funding for the Regional Health Infrastructure program. This builds on **\$15.3 million** in previous Restart NSW commitments and **\$25.7 million** in Restart NSW reservations.

Investing in the regions:

\$50m

in 2016-17 allocated to Fixing Country Roads as part of the Rebuilding NSW enhancement

SUPPORTING THE REGIONS

Programs in regional NSW

There are a range of programs that are delivering priority infrastructure to regional areas of the State.

Bridges for the Bush*	Replaces or upgrades bridges in regional NSW
Cobbora Transition Fund	Drives economic growth and productivity in local communities impacted by the Cobbora Coal project
Fixing Country Roads*	Improves local and regional roads managed by local governments
Hunter Infrastructure and Investment Fund	Enhances liveability and promotes economic growth in the region
Illawarra Infrastructure Fund	Supports economic growth in the region
Regional Freight Pinch Point and Safety Program	Improves key road and rail freight corridors
Regional Health Infrastructure	Fast-tracks health infrastructure in Coraki, Grafton, Macksville, Taree, Armidale and Lismore
Regional Tourism Infrastructure	Invests in regional airports, cruise terminals and rail infrastructure
Resources for Regions	Addresses infrastructure constraints in mining-impacted communities
Water Security for Regions	Secures water supplies and aims to drought-proof regional communities, and address deficiencies in wastewater treatment
Western NSW Freight Productivity	Improves the Cobb Highway, Silver City Highway and other freight corridors in western NSW
Fixing Country Rail	Improves country rail infrastructure to support our primary producers who make a vital contribution to our economy
Regional Growth Environment and Tourism Fund	Invests in environmental and tourism related assets in regional NSW, supporting regional heritage and the visitor economy
Regional Growth Roads	Targets roads in Lower Hunter, Central Coast, the Illawarra and North Coast
Regional Multipurpose Services (MPS) Facilities	Secures the sustainability of smaller rural facilities and focuses on innovation and flexibility in service delivery
Regional Road Freight Corridor	Improves freight corridors to support economic activity in regions
Regional Schools Renewal Program	Upgrades schools and places a greater emphasis on technology to address challenges faced by students in rural and remote areas
Regional Water Security and Supply Fund	Addresses deficiencies in drinking water quality, capacity, drought security, dam safety and wastewater treatment in regional communities

*Programs with funding from Restart NSW and enhanced by the Rebuilding NSW plan

NORTH COAST BUDGET HIGHLIGHTS



Key highlights from the 2016-17 Budget:

- **\$1.5 billion** in State and Australian Government contributions in 2016-17 towards the Pacific Highway duplication program, including Oxley Highway to Kundabung, Kundabung to Kempsey, Frederickton to Eungai, Warrell Creek to Urunga, Warrell Creek to Nambucca Heads and Woolgoolga to Ballina.
- Continuing work on the **\$260 million** redevelopment of Lismore Base Hospital (Stages 3A and 3B), with **\$75.2 million** allocated in 2016-17.
- **\$12.1 million** committed in 2016-17 to Tweed Hospital Redevelopment Stage 1 to expand the emergency department, enhance wards and specialist units and build a new multi-storey car park.
- **\$10 million** to continue Stage 1 of the Manning Hospital Redevelopment.
- **\$6.8 million** in 2016-17 for the Coastal Infrastructure Program which includes **\$6.1 million** for Coffs Harbour and **\$700,000** for Port Macquarie.
- **\$5 million** in 2016-17 for the **\$9.7 million** Coffs Harbour TAFE project.
- **\$3.2 million** towards the Port Macquarie Hospital Mental Health Expansion — a new capital project to improve mental health services for the Mid North Coast.
- Funding for the new Grafton Correctional Centre, part of the Prison Bed Capacity Program. This will involve the construction of a new state of the art 1,700 bed correctional centre in Grafton to address demand for prison beds in Northern NSW.
- Upgrades at Byron Bay and Coffs Harbour interchanges to improve safety, accessibility and parking.

Region includes:

Ballina, Clarence, Coffs Harbour, Lismore, Oxley, Port Macquarie, Tweed and Miall Lakes

Population:

approximately 595,000 residents — almost 8 per cent of the State's population

Key industries:

agriculture, manufacturing and tourism

WESTERN NSW BUDGET HIGHLIGHTS



Region includes:

Barwon, Bathurst, Dubbo, Northern Tablelands, Orange and Tamworth

Population:

around 517,000 residents — nearly 7 per cent of the State's population

Key industries:

manufacturing, tourism, agriculture and mining

Key highlights from the 2016-17 Budget:

- Significant funding of around **\$500 million** from the Restart NSW Fund (including funds allocated in the Rebuilding NSW plan) to build a 270 kilometre pipeline from the Murray River to secure Broken Hill's water supply.
- **\$25 million** to commence Stages 3 and 4 of the Dubbo Hospital Upgrade to establish a new emergency department with imaging facilities, new medical inpatient unit, an expanded ambulatory oncology (chemotherapy) unit, a new interventional cardiology unit, and an ambulatory care unit.
- **\$20 million** to continue the upgrade of the Great Western Highway at Kelso.
- Continuing the Trewilga Realignment on the Newell Highway, with **\$14 million** allocated in 2016-17.
- Continuing the construction of the **\$16 million** Walgett police station with **\$1.2 million** allocated in 2016-17.
- **\$11.5 million** to continue the upgrade and sealing of the Cobb and Silver City Highways.
- **\$8.4 million** in 2016-17 for work at the Dubbo Taronga Western Plains Zoo.
- **\$6.1 million** for continued cyclical maintenance at Orange Base Hospital.
- **\$5.8 million** in 2016-17 towards Stage 2 of the Tamworth Hospital Redevelopment.
- **\$4.8 million** in 2016-17 to complete the Moree East Public School upgrade.
- **\$4 million** to start construction of the second bridge over the railway line at Gunnedah.
- Commencing the **\$1 million** construction of a new fire station at Parkes with **\$250,000** allocated in 2016-17.
- Completing the upgrade of the Narrabri Public School.
- Continuing work on the Gulgong and Nyngan Fire Stations.
- Interchange upgrades at Dubbo, Orange and Tamworth to improve safety, accessibility and parking.

SOUTHERN NSW BUDGET HIGHLIGHTS



Key highlights from the 2016-17 Budget:

- **\$20 million** to continue the Bowral Hospital Redevelopment.
- **\$17.4 million** in 2016-17 to continue work on the **\$270 million** Wagga Wagga Rural Referral Hospital Redevelopment.
- **\$14.1 million** in 2016-17 to continue work on the **\$70 million** upgrade to Gocup Road between Gundagai and Tumut.
- **\$9.2 million** in 2016-17 for continuing work on the **\$14.9 million** Moss Vale Police Station.
- **\$7.1 million** for the continued construction of new facilities at Young TAFE.
- **\$2.5 million** for initial sealing work on the main road between Goulburn and Bathurst, 46 kilometres north of Crookwell.
- **\$2.4 million** in 2016-17 for the new **\$17 million** police station in Queanbeyan, and funding to continue building a new **\$18 million** Deniliquin Police Station.
- **\$1.5 million** to complete the Jindabyne HealthOne facility, with an estimated total cost of **\$2.3 million**.
- **\$1 million** in 2016-17 for planning work on the new bridge at Echuca-Moama on the Cobb Highway.
- Completing the **\$19.5 million** upgrade to Wagga Wagga Courthouse in June 2016 with **\$700,000** allocated in 2016-17.
- Funding for a new distance education school at the Queanbeyan Regional Education Hub.
- Interchange upgrades at Albury and Wagga Wagga under the Transport Access Program.

Region includes:

Albury, Cootamundra, Goulburn, Monaro, Murray, Queanbeyan and Wagga Wagga

Population:

around 426,000 — over 5 per cent of the State's population

Key industries:

manufacturing, tourism and agriculture

THE HUNTER AND CENTRAL COAST BUDGET HIGHLIGHTS



Region includes:

Cessnock, Charlestown, Lake Macquarie, Maitland, Newcastle, Port Stephens, Swansea, Upper Hunter and Wallsend

Population:

residential population of almost 1 million for the Hunter and Central Coast regions – almost 13 per cent of the total state

Key industries:

retail, minerals and energy, defence, manufacturing and tourism

Key highlights from the 2016-17 Budget:

- **\$142 million** this financial year to deliver Newcastle Light Rail.
- **\$118.1 million** to continue the Gosford Hospital Redevelopment at an estimated cost of **\$348 million** and **\$15 million** to commence the Gosford Hospital Car Park at an estimated cost of **\$35.5 million**.
- **\$35 million** for Cormorant Road, Industrial Drive to Stockton Bridge works.
- **\$30 million** in 2016-17 to deal with mining voids in Newcastle, developing a new Muswellbrook sewerage treatment plant, redevelopment of the Maitland Sportsground complex and the Newcastle new cruise terminal.
- **\$25 million** for the Wyong Road Intersection upgrade and **\$20 million** for the Pacific Highway upgrade between Ourimbah Street, Lisarow and Glen Road, Ourimbah.
- **\$12 million** in 2016-17 for the upgrade of Mingara Drive to Tumbi Road.
- **\$10.3 million** in 2016-17 to complete the final stages of the John Hunter Neonatal Intensive Care Unit. This project will increase the number of cots and develop clinical support areas, isolation rooms, dedicated palliative care facilities, family support areas including parent accommodation, and staff support areas.
- **\$10 million** for the New England Highway, Scone Bypass and Rail Level Crossing.
- Completion of the upgrade to Point Clare Public School with **\$7 million** allocated in 2016-17.
- **\$6.2 million** for planning and site preparation for the new Maitland Hospital.
- **\$6.2 million** for the NSW Government response to the Williamstown Royal Australian Air Force Base Contamination.
- Continuing the Newcastle Inner Bypass project, with **\$5 million** allocated in 2016-17.
- **\$3.8 million** in 2016-17 for upgrades of the TAFE Hunter Institute Newcastle Campus Block D.
- **\$650,000** for the continued construction of a new fire and rescue station in Abermain, with an estimated total cost of **\$1 million**.
- Easy access upgrade at Victoria Street interchange, new lifts at Broadmeadow, family accessible toilets at Hamilton and interchange improvements at Maitland.

THE ILLAWARRA AND SOUTH COAST BUDGET HIGHLIGHTS



Key highlights from the 2016-17 Budget:

- **\$110 million** allocated in 2016-17 to the Foxground and Berry Bypass.
- **\$30 million** allocated to the Burrill Lake Bridge replacement.
- An additional **\$27.5 million** over two years (2016-17 to 2017-18) towards the Port of Eden redevelopment.
- **\$18 million** to continue planning and preconstruction of the Berry to Bomaderry Princes Highway upgrade.
- **\$15 million** to continue planning and preconstruction of the Albion Park Rail bypass.
- **\$15 million** to start work to realign the Princes Highway to improve safety at Dignams Creek.
- **\$9.1 million** to continue the Bulli Hospital Aged Care Centre of Excellence.
- New funding of **\$6.4 million** in 2016-17 for new State Emergency Service headquarters in Wollongong.
- **\$6.1 million** in 2016-17 to continue work on the South East Regional Hospital in Bega.
- **\$4.4 million** grant towards the upgrades of Merimbula Airport.
- **\$3.1 million** in 2016-17 to complete the planning for Illawarra Hospitals (Shellharbour / Shoalhaven).
- **\$3 million** to continue planning for the new Nowra Bridge over the Shoalhaven River.
- **\$2.5 million** in 2015-16 towards the relocation of the grey headed flying fox population from Batemans Bay.
- Continuing the development of the **\$106.7 million** Wollongong Hospital Elective Surgery Unit, with **\$2.4 million** allocated in 2016-17.
- Completing the **\$16.5 million** iAccelerate Centre, providing a permanent space for over 280 start-up companies.

Region includes:

Bega, Keira, Kiama, South Coast, Shellharbour and Wollongong

Population:

approximately 520,000 residents in the Illawarra and South Coast — just under 7 per cent of the State's population

Key industries:

manufacturing, retail and tourism

Images courtesy of:

- Department of Education
- Department of Education, Hazelbrook Primary School
- Destination NSW
- Destination NSW, photographer: Vince Bucello
- Destination NSW, photographer: Lawrence Furzey
- Destination NSW, photographer: Sally Mayman
- Infrastructure NSW
- NSW Health
- Transport for NSW
- Transport for NSW, Roads and Traffic Authority (NSW)

