

On Tuesday 16 June 2009, the NSW Treasurer, the Hon Eric Roozendaal MLC, delivered the 2009/10 NSW Budget. The cornerstone of the budget is the \$62.9 billion infrastructure program over the next four years, \$18 billion of which is to be spent in the coming financial year. The NSW Budget forecast for 2009-10 is a deficit of \$990 million.

General Overview

- The economic downturn will see Gross State Product ('GSP') decrease by 0.5 per cent in 2009/10, increasing to 2.25 per cent in 2010/11 and rising to above-trend growth in 2011-12 and 2012-13, and will result in revenue write downs of around \$10 billion over the four years to 2011-12.
- Future growth is expected to be come from higher consumer spending and increased housing construction activity which Treasury predicts will be underpinned by lower interest rates and lower petrol prices.
- The 2008/09 Budget incurred a deficit of \$1.3 billion. There is a projected budget deficit of \$990m in 2009/10, a deficit of \$116 million in 2010/11, returning to a surplus of \$86 million in 2011/12 and a \$642 million surplus in 2012/13.
- General Government net debt will rise to 3.9 per cent of GSP in 2010-11, before declining to 3.6 per cent of GSP by 2012-13.

Primary Industries

- \$515 million investment in Primary Industries including \$469 million for services (a 6.1 per cent increase on 2008/9 budget), \$45 million for capital expenditure (an 88.6 per cent increase) and an increase of \$10.3 million for employee related funding (or approximately 4 per cent Department staff funding).
- Agriculture services will include:
 - \$1.2 million for Rural Financial Counsellors (a 2 per cent increase),
 - \$8.5 million to noxious weed control (a 2 per cent increase),
 - \$6 million for exotic pest and disease control (a 142 per cent increase),
 - \$22 million for capital expenditure (a 313 per cent increase), and
 - \$750,000 for the upgrade of office and cattle tick facilities at Tweed Heads.
- Science and research for Primary Industries will receive \$150.5 million for total expenses (an 8.7 per cent increase) with no change to existing staff numbers.

Community Services

- \$14.7 billion for Education (a 25 per cent increase), including \$2.6 billion on the school infrastructure program, \$36 million for the Connected Classrooms program to develop technology-based learning in Government schools and \$2.1 billion funding for TAFE (including major projects in Armidale, Dubbo and Wagga Wagga TAFE colleges).
- \$15.1 billion for Health (a 8.3 per cent increase), including \$23.5 million for the creation of the regional intake and referral services, an additional \$10 million for a 24-hour State wide mental health telephone line, the commencement of redevelopments at the Narrabri and Grafton Hospitals and the upgrade of hospitals at Lismore, Maitland and Port Macquarie.
- \$1.6 billion for Community Services (a 16 per cent increase), including \$21.3 million to provide universal access to quality early childhood education, \$1.3 million for Disaster Recovery operations and \$11.8 million for caseworker accommodation in 20 sites in regional and remote areas.

- \$903 million for Emergency Services (a 3.5 per cent increase), including \$31.3 million for new and refurbished tankers for local fire brigades, \$14 million for regional mitigation and fire fighting capability initiatives and \$1.4 million for SES rescue equipment.
- \$93 million for Local Government (a 0.8 per cent increase) including \$76 million for the pensioner council rates rebate scheme.
- \$269 million for State and Regional Development (a 44 per cent increase) including \$7 million for the Regional NSW Employment Fund and \$25.5 million for the Building the Country Program which aims to help retain jobs outside of Sydney by supporting infrastructure projects.

NSW Rural Assistance Authority

- \$268 million for the NSW Rural Assistance Authority (a 48 per cent increase) including continued funding for Exceptional Circumstances assistance (figure commensurate with number of approved EC applications), \$18 million for low interest loans under the Special Conservation Scheme and a notional \$2 million for the Natural Disaster Relief Scheme (actual assistance will depend on the occurrence of natural disasters).

Transport

- \$4.6 billion for Transport (a 20.4 per cent increase) including \$588 million to RailCorp for capital investment, \$175 million for maintenance and other works on the Country Regional Network, \$323.3 million for regional bus services and an extension to the \$1 holiday fare deal for children travelling with adults on CountryLink services to a year-round offer.

Infrastructure

- \$62.9 billion funding for infrastructure over the four years to 2012-13 with \$18 billion to be spent in 2009-10 (a 29.1 per cent increase). The major policy areas are below.
- \$45.4 million finding for infrastructure spending by DPI (an 88.6 per cent increase), including:
 - \$17.7 million for the biosecurity upgrade of Elizabeth Macarthur Agricultural Institute,
 - \$8 million for the rationalisation, relocation and upgrading of facilities at the Gosford Horticultural Institute,
 - \$1.4 million to construct a new laboratory to upgrade soil and plant research facilities at Wagga Wagga Agricultural Institute, and
 - \$849,000 for a Biosecurity Information Management System.
- \$693 million for Health infrastructure spending, including:
 - \$31.1 million to develop Multi Purpose Services (MPS) / HealthOne facilities at Balranald, Coonamble, Eugowra and Manilla, and
 - \$12.6 million for HealthOne facilities to address access and improve health services primarily in rural areas including Blayney, Cootamundra, Corowa and Quirindi.
- \$4.4 billion funding for road infrastructure and maintenance (a 10 per cent increase), including:
 - \$3.1 billion on rural and regional roads,
 - \$8 billion over 6 years for the Pacific and Hume Highways (co-funded with the Australian Government),
 - \$20 million to commence the Pacific Highway by-pass of Kempsey, and

- \$230 million to continue works, jointly funded with the Australian Government, on dual carriageway bypasses at Ballina.
- \$450.9 million for improving and upgrading port-related infrastructure including \$262.2 million for Port Botany expansion project and \$72.1 million for the Enfield Intermodal Logistics Centre to increase the share of container traffic into and out of Port Botany by rail
- \$2.7 billion funding for education infrastructure (a 260 per cent increase), of which \$768 million will come from State funding, including \$340 million on school minor works and \$31 million for 13 major new TAFE building projects.
- \$931 million for water infrastructure (a 41 per cent decrease) including \$76 million for regional NSW for projects including the upgrade of Blowering Dam on the Tumut River (costing \$19 million) and Keepit Dam (costing \$26 million).
- \$734.4 million for infrastructure spending on environment and natural resources (a 19.5 per cent decrease) including \$13.7 million for the purchase of water entitlements within the Murrumbidgee, Lachlan, Macquarie and Gwydir Valleys, \$8.4 million for acquisition of high conservation value land across the State for additions to the parks estate and reserve system and \$3.4 million for improved fire management in national parks and reserves.
- \$64.3 million in recurrent grants to local brigades for new and refurbished tankers, general maintenance and the installation of water tanks from the Rural Fire Fighting Fund.
- \$200 million local infrastructure fund providing interest free loans to NSW councils for local infrastructure projects including local roads and traffic infrastructure, water, sewerage and other local infrastructure.

Environment

- \$602.4 million for Water and Energy (a 31.7 per cent increase) including \$61.7 million towards expenditure on the Country Towns Water Supply and Sewerage Program, \$16.5 million for Irrigation area asset renewals and \$6.7 million for the rehabilitation of artesian bores.
- \$208 million for the Climate Change Fund.
- \$5 million for the Natural Resources Commission (a 4% increase).

Other Announcements

- No new taxes and a cut to payroll tax from 5.75% to 5.65% on January 1 2010, reduced to 5.5% from January 1 2011.
- Government agencies and state-owned corporations will be required to give preferential treatment to local manufacturers in their purchasing plans by applying a 20 per cent discount to Australian made products.
- 50% cut to stamp duty per dwelling for all newly-constructed dwellings up to the value of \$600,000 purchased in NSW.
- \$35 million building fund for community projects providing \$300,000 into each NSW electoral district for projects such as repairing the local halls. There is an additional \$100,000 for areas with higher unemployment.
- There will be a comprehensive reform of the public sector amalgamating 160 Government agencies and offices into 13 'super' Departments.