

The NSW State Budget was handed down by the Treasurer, Michael Costa MLC on 19 June 2007. This note provides a summary of the main announcements and funding commitments outlined in the budget.

### General Budget Information

- Expected budget surplus for 2007/08 of \$376 million – ***in line with the \$378 million surplus forecast in the 2006/07 budget***
- Budgeted \$44.6 billion general government expenditure – ***up from \$44 billion forecast in the 2006/07 budget***
- Budgeted \$44.9 billion total revenues – ***up from \$43.6 billion forecast in the 2006/07 budget***
- One of the main features of the budget is the proposed \$12.56 billion on infrastructure in 2007/08. This includes works in transport (\$1.9b), roads (\$1.9b), health (\$657m), education (\$617m), Housing (\$627m), Law and order (\$388m), electricity network (\$2.9b), water supply (\$2.2b), Ports (\$191m) – ***this is inline with the \$10billion per annum commitment given in the Infrastructure strategy announced in June 2006.***

### Response to Association's submission

The Association provided a submission to the State government in November 2006. Notes are provided below on any announcements in the budget relating to the key priorities areas identified by the Association

#### 1. Environment and Natural Resource Management

##### Climate Change – extension and liaison

- No announcement
- ***Election commitment*** of a \$310 million Climate Change Fund for incentives to manage emissions include rebate for water efficient appliances, solar power and water tanks

##### Climate change – soil carbon sinks

- no announcement

##### Water measurement and accounting

- no announcement
- ***Second year of funding*** for the \$439 million City and Country Environment restoration Program to recover water over-allocations
- Allocation of \$417 million to buy back water licences

##### National Park management

- operations to protect parks from fire pests and weeds would be boosted by \$1 million a year
- more than \$8.5million is allocated to provide for land acquisitions and expand the national parks network

##### Weed Management

- \$8.2 million to fight noxious weeds across the state - ***\$7.6 million was allocated for the Noxious Weed Control programs in 2005/06***

##### Native Vegetation Legislation- Socioeconomic impacts

- no announcement
- \$17.5 million will be provided in grants to farmers as part of the implementation of reforms to native vegetation management

##### Invasive Native Species Coordinator

- no announcement

##### Landscape Planning Coordinator

- no announcement

## **2. Infrastructure**

### Rail Branch Lines

- no announcement
- rail infrastructure corporation will receive \$201 million including \$50 million for the interstate and hunter Valley networks.

### North South Rail Corridor

- No Announcement

### Local Government Roads

- Local Councils will receive an allocation of \$146 million under the REPAIR Program and Block grant Scheme for regional roads – **a similar \$144 million allocation made in 2006/07**
- Other regional routes identified for expenditure during 2007/08 include Central coast highway, the Nowra to Nerriga route, Moree bypass, Tourle street bridge on Nelson bay Road

### Timber Bridges

- no announcement

### Road Underpasses

- no announcement

### Natural Disaster Relief and Fruit Growers

- No announcement

## **3. Government Services**

### Dual Purpose Oat Breeding

- No announcement

### NSW Horticulture Industry Stock Take

- no announcement

### DPI Business Analyst for Pigs and Eggs

- no announcement

### DPI Livestock Officer for pigs

- no announcement

### Tick Control Program

- \$650,000 allocated to provide electronic surveillance on Qld border for surveillance of cattle ticks – **\$600,000 was allocated in the 2005/06 budget**

### Akabane Vaccine manufacture

- no announcement

### Bulldog Calf research program

- No announcement

### Fire Service Levy

- No announcement

### Health: Local Problems, Local Solutions

- Additional \$105 million for mental health bringing total funding to \$1.05 billion
- \$2.5million over 4 years for 125 rural midwives for further training and additional 125 places for scholarships to attract midwives to rural communities
- \$2.3 million to establish HealthOne NSW services in Corowa, Cootamundra, Molong, Rylstone, Elderslie and Manilla

### Oral Health

- An additional \$8million for oral health - \$4million to reduce waiting lists and \$4 million to increase the number of dental therapists and expand rural oral health centres

### Waiving of Western Lands Rent

- no announcement

### **Additional Announcements in the budget**

Figures presented below are the major funding allocations identified for rural and regional areas in each Government Department where they are able to be identified. If there is no comment then funds are either focused in metropolitan areas or have not been defined. Text in bold italics indicates ongoing programs already announced or funds allocated in the 2006/07 budget.

#### **Health**

- Additional \$831 million to \$12.6 billion. Health comprises 28% of the state budget
- Capital works include:
  - \$2.7million to ***continue statewide expansion of radiotherapy services in Lismore and Orange***
  - \$2million for Oral health Strategy to ***continue fluoridation in rural NSW***
  - \$1.6million for redevelopment of Narrabri hospital
  - \$0.8million to develop the Maitland hospital
  - \$1.5million for ***election commitments to redevelop Tamworth, Wagga, Bega, Parkes/Forbes and Nepean hospitals***
  - \$56.7 million for the redevelopment of 13 rural hospitals – ***as part of the ongoing phase 3 of the Rural Hospital and health service Program*** - including Batlow, Berrigan, Junee, Meriwa, Tingha, Walcha, Wyallda, Bingara, Dunedoo, Guyra, Tottenham, Tullamore
- \$1.05billion for Mental Health budget – ***as part of the ongoing COAG National Action Plan for Mental Health***

#### **Local Government**

- \$91.5million for Department of Local government – ***up from \$90.6 in 2006/07***
- \$300,000 identified for Promoting Better Practice Program in 12 regional councils.

#### **Education and Training**

- Additional \$517 million to \$11.2 billion. Education and training comprises 23% of the state budget
- 10 NSW skills centres will be established to increase training opportunities in regional areas at a cost of \$46.8 million over 4 years

#### **Transport**

- \$3.46 billion allocation to ministry of transport – ***down from \$3.4billion in 2006/07*** - including \$124million of capital expenditure.
- \$3.3billion in expenses for the 2007/08 year are distributed as follows:
  - \$284.4million for the Sydney rail clearways program
  - \$232.1 million for rolling stock including \$12.5million for XPT services
  - \$120million for Sydney infrastructure upgrades
  - \$297.5 for Epping to Chatswood line
  - \$56million for metro rail expansion
  - \$201 million for RIC – ***up from \$189.5 in 2006/07*** – including \$130million for maintenance of Country Regional network and dedicated grain lines – ***same as last year***. \$23 million as part of a \$32million 3 year program to upgrade signalling and control systems on the Country regional network.
  - \$2.2billion on metro and country rail services

#### **Police**

- Additional \$90 million to \$2.27 billion

### Environment and Climate Change

- The new Minister for Climate Change and Water will have a total expenses budget of \$1.4 billion – **up \$83 million** – and capital expenditure of \$84.5 million - **up from \$73.6 million**
- The new Department for Environment and Climate Change will have a \$977.4 million budget – **up from \$934.4 million in 2006/07**
- Main areas of expenditure include:
  - \$0.5million for fire and pest management in national parks in – **in addition to ongoing expenditure**
  - \$0.5million to support the Nature Conservation Trust
  - \$0.2million to enforce the mandate to increase the use of ethanol
  - \$14.4 million for the purchase of water entitlements under the Riverbank program
  - \$8.7 million for land acquisitions including \$3million to consolidate the Brigalow/Nandewar Community Conservation Area – **announced in 2006/07 with 2006/07 funds of \$4.8million**
  - \$7.4 million for park establishment costs including \$3million for acquired lands in western NSW - **ongoing program with \$10.4 million in 2006/07**
  - \$5million for satellite imagery for NRM decision making
- Under the Environmental trust:
  - \$17.5million for farmers as part of the Native vegetation Reforms - **ongoing program \$12million allocated in 2006/07**
  - \$17 million for the purchase of water entitlements under the Riverbank program – **ongoing program \$16million allocated in 2006/07**
  - \$45.3million for acquisition of land for national parks estate

### Emergency Services

- Total Emergency services budget of \$831 million **up \$66 million**.
- Department of Rural Fire Service total budget of \$235.5 million –**up from \$200 million in 2006/07**
- Funding commitments include:
  - \$34.5million for tankers – **continued program \$34.1million in 2006/07**
  - \$15 million to upgrade stations – **continued program \$10million in 2006/07**

### Water Utilities

- \$160million boost to Country Towns water supply and Sewerage Program to \$41billion extended to 2014/15

### Agricultural assistance

- the government has provided \$325 million in assistance to farmers over the last 5 years and is committed to assisting rural communities in need.

### Roads

- Total Roads budget of \$3.6 billion – **up from the 2006/07 budget of \$3.3 billion**
- The RTAs total expenses are estimated at \$2.3 billion - **down slightly from the \$2.3 billion in 2006/07**
- The total RTA capital expenditure is estimated at \$1.9 billion - **up from the \$1.6 billion in 2006/07**
- The capital expenditure program includes **ongoing commitments of funds for Pacific Hwy (\$404m) Princes Hwy (\$120m), Great Western Hwy(\$53m), New England highway at Weekleys Drive (\$25m), Newell Highway at Moree (\$22m)**

### Maritime Authority

- \$129 million provided to the Maritime Authority - **up from 110 million in 2006/07** – including \$23 million for capital expenditure - **up from \$16.9 million in 2006/07**
- major projects of commuter wharves and Circular Quay

### Primary Industries

- Total DPI expenses budgeted at \$449.7 million - **up from \$389.8 million** - with Agriculture and fisheries program at \$111.6 million - **down from \$118.5 million**
- The total DPI capital expenditure is \$23.1 million of which \$6.9 million is reinvestment of proceeds from sales of assets - **up from \$21.3 million with \$5.6 million and reinvestment of \$5.6 million**
- The major projects include:
  - \$7.3 million for communications and technology - **\$7.2 million allocated in 2006/07**
  - \$1.3 million for new Labs at Wagga - **\$1.3 million allocated for new labs in 2006/07**
  - \$0.7 million for electronic surveillance for control of cattle ticks - **\$0.5 million allocated in 2005/06**
  - \$0.9 million for health, safety and environment compliance upgrades - **\$0.4 million allocated 2006/07**
  - \$8.2 million grants to fight noxious weeds - **\$7.6 million was allocated for the Noxious Weed Control programs in 2005/06 but no record is found in the 2006/07 budget**
  - \$11.5 million for the NSW Food Authority – **down from \$11.7 in 2006/07**
  - \$139.7 million for the Science and Research program - **\$131.7 million allocated in 2006/07**

### State Development

- \$181.9 million total budget expenses including regional development (\$38.5m), Small business (\$19.7m)
- The Business drought Assistance Program will continue to provide a range of measures to help established non-farm businesses survive the drought.

### Revenue Measures

- \$2.6 billion in tax cuts were announced
- mortgage duty for owner-occupied residences will be abolished from 1 September this year, mortgage duty on residential investment property will be abolished in 1 July 2008 and commercial property on 1 July 2009 – **fastrack of budget announcement last year**
- land tax rate will be cut from 1.7% to 1.6% for the 2008 land tax year
- stamp duty on the hire of goods will be abolished from 1 July 2007 and on leases from 1 January 2008 – **announced 2006/07 budget**
- payroll tax will be harmonised with Victoria and from 1 July a payroll tax exemption will apply for maternity and adoption leave payments – **previously announced**