

Barton Deakin Brief: 2021-22 NSW Budget

Tuesday 22nd June 2021

The New South Wales (NSW) Treasurer, the Hon Dominic Perrottet MP, delivered the 2021-22 NSW State Budget on Tuesday 22nd of June. This is the third budget of the Liberal-National Coalition Government in its third term and the second budget since the beginning of the COVID-19 pandemic. This Barton Deakin Brief outlines the main NSW Budget measures across major portfolios.

Contents

Overview	2
Treasury	2
Customer Service	3
Transport and Infrastructure	4
Families, Communities and Justice	5
Health	7
Planning, Industry and Environment	8
Education and Training	9
Regional NSW	10
Tourism, Arts and Entertainment	10
Further Information	12



Overview

The NSW Treasurer, the Hon Dominic Perrottet MP, said the 2021-22 NSW Budget takes the state “from recovery to reform”. The NSW Budget has three key objectives: to keep NSW safe and accelerate recovery, to invest in people and to transform the state for a brighter future.

The NSW Government will deliver an expected deficit this financial year (2020-21) of \$7.9 billion, which is under half the expected deficit in the last Budget of \$16 billion. For the next financial year (2021-22), the NSW Government projects a deficit of \$8.6 billion. The NSW Government expects to return to a budget surplus by 2024.

Total state revenue in 2021-22 is expected to reach \$93.8 billion, which is 4.5% higher than previously forecast. State revenue is projected to grow at an annual rate of 3.4% over the next four years.

Total state government expenditure in 2021-22 is expected to reach a sum of \$102.5 billion. This is 7.3% higher than in the previous financial year due to the continued delivery of economic stimulus to respond to the COVID pandemic, support job creation and accelerate economic recovery.

Despite the economic volatility of the past year and a half, consumer and business confidence in NSW is high, and economic activity has returned to pre-COVID levels. The NSW unemployment rate currently sits at 5.3%, hovering at pre-pandemic levels. Not only has NSW recovered all 270,000 jobs lost to the COVID-19 pandemic, but an additional 36,000 jobs have been created.

2 The state’s net debt in June 2021 is projected to be \$40.6 billion, an improvement of \$4.8 billion since the 2020-21 Half-Yearly Review. Net debt is projected to peak at 13.7 per cent of GSP in 2024-25. However, the Treasurer remains committed to reducing net debt to 7% of GSP by the year 2030.

The state’s net worth has surpassed a quarter of a trillion dollars, the highest of any Australian state, and continues to grow towards one-third of a trillion dollars by June 2023. Budget measures will support Gross State Product per capita to surpass pre-COVID level and return to trend by mid-2023.

The fiscal outlook for the upcoming financial year is optimistic, with employment levels exceeding expectations and outstanding debt lower than anticipated.

The 2021-22 NSW Budget aims to take the NSW economy beyond recovery and into a stronger future.



Treasury

The NSW Government is providing extensive and wide-ranging cost of living measures for individuals and families across the state. This will account for \$6 billion in new and existing rebates, concessions and measures to dampen the burden of everyday costs, whilst encouraging involvement in activities to support development and participation.

These cost of living measures include:

- \$333.2 million to continue the uplift in the Energy Social Programs (totalling \$1.3 billion over four years) which delivers six energy rebates and one crisis support scheme
- \$246.3 million to extend the Regional Seniors Transport Card for an additional two years, providing \$250 each year for fuel, taxi travel, or NSW TrainLink tickets
- \$150 million to deliver the Free Preschool program for the 2022 school year
- \$43.9 million over two years to provide a \$100 Learn to Swim Active Preschooler Voucher
- \$14.2 million for a Cost of Living program and campaign

The NSW Government will invest \$488.2 million towards reform and new initiatives to boost productivity in NSW following the COVID-19 pandemic including:

- \$9.8 million (\$39.3 million recurrent expenses over four years) for the Business Connect Program
- \$4.3 million for Small Business COVID Stimulus for the NSW Small Business Commission to deliver increased mediation and advisory services
- \$3.0 million for social impact investments focussing on women facing disadvantage and Indigenous youth
- \$2.5 million to support Automatic Mutual Recognition (AMR) of occupational licensing
- A new Small and Medium Enterprises (SME) and Regional Procurement Policy
- A new Small Business Shorter Payment Terms Policy, commencing 1 July 2021

3

The NSW Government will introduce further taxation reforms over the next four years, specifically into stamp duty in housing and vehicle purchases. The two major reforms are:

- To tackle an inefficient property tax system, a progress paper was released in June 2021 to continue engaging with the people of New South Wales regarding a proposal to replace transfer duty with a small annual property tax. The proposed reform has the potential to increase home ownership by 6 per cent and to add \$3,300 to the average annual household income
- Incentives to increase the take-up of electric vehicles, with a \$489.5 million package that phases out economically costly vehicle stamp duty on zero and low emission vehicles and gradually phases in a distance-based road user charge

Customer Service and Digital NSW

The NSW Government remains dedicated to a customer-centric approach to government service delivery and pursuing a digital revolution. The NSW Budget will invest \$1.7 billion into customer services, ensuring customers can access government services in a timely and convenient manner.

This includes:

- \$668.9 million into Service NSW to administer economic stimulus funds
- \$50.0 million to provide digital vouchers for dining and entertainment in the Sydney CBD
- \$20.0 million for the Business Concierge Service to support businesses



- \$14.2 million for the Cost of Living program
- \$9.1 million for Data Analytics Centre to improve services through better use of data
- \$9.8 million for the integration of content on nsw.gov.au.
- \$6.1 million to open up to four new Service NSW service centres
- Allowing customers to opt into sharing their information across government so they only need to “Tell Us Once”

The NSW Budget will invest \$1.0 billion in digital leadership and innovation including:

- \$500.0 million over three years in additional funding of the Digital Restart Fund
- \$221.9 million for the final phase of the Critical Communications Enhancement Program
- \$2.5 million for a Digital Procurement Transformation Program

Further, the Customer Service Cluster will invest \$1.6 billion in delivering an efficient regulatory framework for businesses and the consumer, including:

- \$41.9 million for 12 infrastructure projects at country race clubs
- \$17.0 million to digitise government licensing applications
- \$11.4 million to develop digital platforms for certification registries
- \$6.4 million to increase the inspectors and associated support staff in SafeWork NSW
- \$6.0 million in additional funding for the Greyhound Welfare and Integrity Commission
- \$4.9 million for the Building Commissioner to boost regulatory enforcement
- \$1.0 million for the Rehoming Infrastructure Program

Transport and Infrastructure

4

The NSW Government is continuing to deliver a record infrastructure pipeline for NSW, totalling \$108.5 billion across four years to ensure the delivery of projects around the state. This pipeline includes funding for transport and education infrastructure, increasing upgrades for schools and maintaining a broad range of bus, road and rail projects. Furthermore, the NSW Government is investing \$473 million into cultural infrastructure, ensuring the state is the best place to live and work.

Roads Infrastructure

- \$6.3 billion over four years for the planning and preconstruction of a new crossing of Sydney Harbour and a western bypass of the Sydney CBD
- \$4.8 billion over four years for the Sydney Gateway project and M6 Stage 1 Extension
- \$2 billion over four years to improve road safety through the NSW Road Safety Plan 2021 with a regional focus
- \$2.0 billion over four years for the Great Western Highway Upgrade program between Katoomba-Lithgow and Kelso to Raglan
- \$1.3 billion over four years for road upgrades to support the new Western Sydney Airport at Badgerys Creek
- \$899.7 million over the next four years, including \$201.4 million in 2021-22, for the Western Sydney Growth Roads program. This includes:
 - Mulgoa Road upgrades
 - The Horsley Drive, M7 motorway to Cowpasture Road
 - Memorial Avenue, Old Windsor Road to Windsor Road
 - Appin Road Improvements
 - Spring Farm Parkway Stage 1



- Mamre Road, M4 Motorway to Erskine Park Road

Railway Infrastructure

- \$12.0 billion over four years to progress construction of Sydney Metro West
- \$8.0 billion over four years for the planning and construction for the NSW and Commonwealth Government funded Sydney Metro - Western Sydney Airport line
- \$6.1 billion over four years to continue construction of the Sydney Metro City and Southwest linking Chatswood and Bankstown
- \$3.0 billion over four years to continue implementation of the More Trains, More Services program
- \$1.3 billion over four years in capital expenditure to deliver a modern new Regional Rail Fleet to replace the XPT, XPLOER and Endeavour trains
- \$1.3 billion recurrent expenses and \$56.6 million capital expenditure over four years to continue the More Trains, More Services program
- \$992.0 million over four years to continue delivery of the Mariyung Intercity Fleet
- \$344.8 million over four years for the Regional Seniors Travel Card program

All NSW infrastructure projects can be viewed in the Transport Cluster Outcomes Statement [here](#) (p131, 8-1).

Families, Communities and Justice

The NSW Budget will continue to support the most vulnerable in the community through a range of programs that aim to improve wellbeing and social cohesion.

5

Communities

The NSW Budget will invest \$4.2 billion in delivering strong communities, including:

- \$3.6 billion in cash and in-kind contributions for individual packages and other flexible supports under the NDIS
- \$735.1 million for the Office of Sport to deliver programs and infrastructure. This includes:
 - \$102.5 million for the Multisport Community Infrastructure Fund
 - \$75.0 million for the Centres of Excellence Grant Program.
 - \$22.2 million for the Learn to Swim Active Pre-Schooler Voucher program
 - \$6.7 million to develop a final business case for the Hunter Sport and Entertainment precinct
 - \$5.2 million to support the ongoing operations of the NSW Institute of Sport
 - \$4.0 million for the expansion of the Surf Club Facility Program
- \$49.1 million for Multicultural NSW. This includes:
 - \$2.8 million to support new and emerging communities
 - \$1.0 million capital expenditure for the digitisation of Multicultural NSW language interpreting services
 - \$18.6 million over two years for the Community Building Partnerships Program

The 2021/22 NSW Budget strengthens the state's resilience in disasters through supporting our emergency services. This includes:

- \$847.1 million for Fire and Rescue NSW



- \$655.3 million in recurrent and \$29.7 million in capital expenditure for the NSW Rural Fire Service to combat bushfires
- \$193.1 million in recurrent and \$47.3 million in capital expenditure for the NSW State Emergency Service to respond to flood and storm emergencies
- \$192.9 million over four years as part of the Stage 2 response to the NSW Bushfire Inquiry
- \$50.5 million recurrent expenses and \$25.0 million capital expenditure over four years for the Stay Safe and Keep Operational program
- \$35.3 million to support the Emergency and Rescue Workers Compensation Fund
- \$4.8 million over four years for NSW SES to gather flood intelligence

The NSW Government is prioritising building safer communities and reducing crime with the NSW Budget investing \$4.7 billion, including:

- \$4.3 billion for the NSW Police Force which includes:
 - \$41.5 million for 250 additional police.
 - \$47.9 million to commence a three-year pilot of an optional disengagement scheme
- \$389.4 million in capital expenditure for NSW Police Force infrastructure which includes \$1.6 million to commence phase 2 of the Marine Vessel Replacement Program
- \$31.3 million to support the NSW Crime Commission

Children and Families

In 2021-22, the Stronger Communities Cluster will invest \$2.9 billion into helping children and families thrive. This includes:

- \$1.4 billion to support vulnerable children in out-of-home care and supporting permanency outcomes. This includes:
 - \$5.7 million to further increase guardianship and adoptions for children in out-of-home care.
- \$756.5 million to support a robust child protection system
- \$204.9 million to prevent family, domestic and sexual violence. This includes:
 - \$70.0 million in frontline family, domestic and sexual violence services
 - \$7.2 million to support the expansion of the Staying Home Leaving Violence program, and continuation of the Domestic Violence Pro-Active Support Service

Justice

The NSW Budget will make an investment of \$2 billion to pursue a more efficient and effective legal system. This includes:

- \$755.1 million to support courts and tribunals
- \$404.8 million to support Legal Aid NSW to provide services to disadvantaged clients
- \$184.0 million to the Office of the Director of Public Prosecutions NSW
- \$130.5 million to support Victim Services
- \$101.0 million to support NSW Trustee and Guardian
- \$5.5 million in capital expenditure for domestic violence safe rooms

The State Government aims to reduce reoffending and strengthen the state's corrections system.

The NSW Budget dedicates \$2.9 billion to this end, including:

- \$2.2 billion for the management of adult offenders in custody and in the community, which includes the delivery of programs to reduce reoffending and to support reintegration
- \$494.6 million in capital expenditure to support the management of youth and adult offenders in New South Wales including new funding for:



- \$30.0 million for the Sustaining Critical Infrastructure Program
- \$30.0 million to protect highly sensitive data
- \$256.2 million for the supervision and care of youth offenders

The NSW Budget is concerned with alleviating homelessness and will invest \$1.2 billion in assisting people who are unable to access or maintain appropriate housing. This investment includes:

- \$730.5 million for social housing
- \$295.9 million to deliver a range of specialist homelessness services
- \$20.7 million to expand the Together Home Program

Health

The NSW Government will allocate a record \$30.2 billion for world-class health services for the community. Since March 2011, recurrent funding for the NSW public health system has increased by \$11.7 billion, with a significant increase due to the onset of COVID-19. The \$30.2 billion includes specialised COVID-19 response funding:

- \$1.1 billion to continue the state's response to COVID-19, including:
 - \$340.0 million to fund personal protective equipment (PPE) procurement and associated warehouse costs to keep our frontline workers safe
 - \$261.3 million for COVID-19 vaccine distribution \$200.0 million for pop-up clinics, testing and contact tracing
 - \$145.4 million for returning travellers in quarantine requiring medical assistance
 - \$80 million to continue additional elective surgery \$30.0 million for the ongoing enhanced level of cleaning within health facilities
- The NSW Government will also fund the digitisation of healthcare services for citizens across NSW, particularly in rural and regional areas. This funding includes:
 - Increasing spend on Digital Health initiatives to over \$500 million for initiatives such as Virtual Care, Telehealth and Single Digital Patient Record
 - \$109.5 million to develop 25 Child and Adolescent Mental Health Crisis Teams ('Safeguards')
 - \$36.4 million for 57 mental health Response and Recovery Specialists across regional and rural New South Wales to provide assertive outreach support for communities.
- NSW Health will invest \$10.8 billion on capital infrastructure over the next four years with a program of \$3.2 billion in 2021-22, ensuring 29 new and upgraded hospitals announced in 2019 will commence before March 2023. This funding also includes:
 - \$327 million for new works commencing in 2021-22 including nine hospital upgrades or redevelopments, two major Information Communication Technology projects, the establishment of a HealthOne at Canowindra, and a number of NSW Ambulance related projects.
 - Hospital upgrades and redevelopments including:
 - \$45 million for the Muswellbrook Hospital Stage 3 Redevelopment
 - \$50 million for the Sydney Children's Hospitals Network at Randwick
 - \$15 million for Goulburn Hospital and commencement of the Ryde, Rouse Hill, Moree, Gunnedah, and Wentworth Hospital Redevelopments

Hospital upgrades and redevelopments in progress include:

- Bankstown and Lidcombe Hospital (\$1.3 billion)



- Nepean Hospital (\$1.0 billion)
- John Hunter Hospital and car park (\$835 million)
- Randwick Campus (\$783 million)
- Royal Prince Alfred Hospital (\$750 million)
- Liverpool Health and Academic Precinct, including car park (\$790 million)
- The new Shellharbour Hospital and Integrated Services (\$699 million)
- Tweed Hospital (\$673 million)
- Campbelltown Hospital (\$632 million)
- Children's Hospital Westmead Stage 2 (\$619 million)
- Sydney Children's Hospital Randwick (\$608 million)
- The new Maitland Hospital (\$470 million)
- Shoalhaven Hospital (\$438 million)
- Wagga Wagga Hospital (\$431 million)
- St George Hospital (\$385 million)
- Concord Hospital (\$341 million)
- Lismore Base Hospital (\$313 million)
- Dubbo Health Service (\$306 million)
- Griffith Base Hospital (\$250 million)

Planning, Industry and Environment

The Planning, Industry and Environment Cluster delivers infrastructure to drive economic activity, protects the environment, sets the future direction of waste, sustainable materials and the circular economy, and ensures an affordable, reliable and sustainable energy future. The 2021-22 NSW Budget funds:

8

- \$785.4 million for national parks
 - \$21.7 million for grants from the Environmental Trust to the National Parks and Wildlife Services
 - \$10.3 million for new signature walking experiences
- \$379.6 million to deliver the Electricity Infrastructure Roadmap, including funding to establish for the Renewable Energy Zones across NSW
- \$333.2 million to enable the provision of energy rebates and emergency vouchers
- \$257.3 million to protect New South Wales' biodiversity
 - \$46.3 million to double the number of koalas in New South Wales by 2050
 - \$15.0 million to continue the Saving our Species program
 - \$13.5 million to continue the delivery of the Land Management and Biodiversity Conservation Framework
- \$171 million investment in electric vehicle charging infrastructure over the next four years to ensure accessibility of ultra-fast chargers, especially on major commuter corridors and at regional tourist destinations
- \$149.7 million to protect the community and environment from waste pollution and support the transition to a circular, sustainable economy
 - Implementing the NSW Waste and Sustainable Materials Strategy 2041 and the NSW Plastics Action Plan
 - Targeting illegal dumping, littering and hazardous wastes
- \$147.6 million to implement the Electricity Infrastructure Roadmap
- \$140.9 million to manage waste and clean-up relating to bushfires and floods
- \$49.0 million to transition New South Wales to net zero emissions by 2050 including the Net Zero Industry and Innovation Program



Education and Training

The 2021-22 NSW Budget is dedicated to delivering quality education and training services to the people of NSW. The NSW Government is particularly concerned with giving the best start in life for young children, setting the educational foundations for success and creating a skilled and employable workforce.

Education

The state government is investing \$725.9 million in the delivery of high-quality early childhood education. This funding includes:

- continued delivery of the NSW Start Strong Preschool Program in both community preschools and long day care centres.
- \$150.0 million to community preschools to deliver Free Preschool for the 2022 school year
- Continuation of capital works grant funding to support the creation of additional community preschool places

The NSW Budget is investing \$20.5 billion into public and non-government schools to ensure strong educational foundations for school students. This includes:

- \$15.9 billion to support the delivery of primary and secondary education in government schools
- \$2.1 billion in new capital expenditure over four years to deliver 44 new and upgraded schools
- \$7.9 billion over four years to deliver major projects at over 210 schools
- \$1.5 billion funding to support non-government schools in 2021-22
- \$124.8 million recurrent funding over four years to implement the Teacher Supply Strategy
- Commencement of a four-year program to provide teaching and learning resources and professional development required to successfully implement the curriculum reforms
- An ongoing commitment under the NSRA for 2019 to 2023 to deliver needs-based funding to government and non-government schools.

The state government is investing 213.7 million in improving the standards of schools across the state. This funding includes:

- \$57.7 million to implement the NSW Curriculum Reforms by 2024
- \$3.2 million to implement the accreditation of teacher professional development across identified priority areas.

Training

The state government is investing \$2.9 billion to support the development of a highly skilled and adaptable workforce that contributes to prosperity and productivity. This includes:

- \$318.6 million over two years for Skilling for Recovery (helping job seekers retrain or upskill, and supporting school leavers to enter the workforce)
- \$160.0 million toward JobTrainer funding
- \$24.6 million to support the implementation of recommendations in the Gonski Shergold Review of the NSW VET sector.
- \$5.2 million to continue the Education Pathways Pilot Program
- \$19.0 million investment into information and communication technology programs



- \$5.9 million for TAFE to develop undercover learning areas to support training

Regional NSW

The 2021-22 NSW Budget invests billions of dollars in regional NSW, focusing on creating jobs, growing tourism and continuing to fund recovery from natural disasters. The state government aims to help regional communities to continue to grow, move through recovery and build on the benefits of regional living. Funding for regional NSW includes:

- \$897.1 million over three years to deliver the following targeted recovery programs:
 - Bushfire Local Economic Recovery Package (\$177.6 million)
 - Infrastructure and Jobs Acceleration Fund (\$99.5 million)
 - Drought Stimulus Package (\$76.1 million)
 - NSW Storm and Flood Clean up (\$64.8 million)
 - Bushfire Local Industry Recovery Package (\$55.9 million)
 - Mouse Plague Response (\$40.0 million)
- \$571.0 million recurrent expenses over four years to deliver the following programs:
 - Regional Growth Fund (\$210.6 million)
 - Stronger Country Communities Fund (\$69.6 million)
 - Resources for Regions (\$20.7 million)
- \$334.8 million recurrent expenses and \$543.1 million capital expenditure over four years for Snowy Hydro Legacy Fund projects
- \$140.0 million recurrent expenses and \$1.0 million capital expenditure over four years to regulate mine and petroleum site safety
- \$103.1 million recurrent expenses over four years to grow investment in mining and exploration by acquiring, synthesising and delivering data
- \$75.6 million recurrent expenses over four years) to address remediation of high-risk legacy mine sites

10

Tourism, Arts and Entertainment

The NSW Government is continuing to support the arts, tourism, and entertainment sectors, providing much-needed infrastructure and funding.

Arts

Arts, screen, heritage and culture play a critical role in NSW. This budget invests \$1.3 billion towards excellence in arts, culture and heritage. This includes:

- \$844.8 million for the Community Engagement division of the Department of Premier and Cabinet
 - \$840.0 million towards the Powerhouse Parramatta
 - \$30.0 million for the Creative Capital program
 - \$15.0 million for a Cahill High Line
 - \$10.0 million to attract major blockbuster art and museum exhibitions
 - \$6.0 million to expand the State's Arts and Cultural Funding Program
 - \$5.0 million to establish the Heritage Blue Plaques Program
 - \$4.8 million for the transformation of the Ultimo Powerhouse Museum
- \$222.2 million for the Art Gallery of New South Wales
- \$127.1 million for the State Library of New South Wales
- \$82.1 million for the Australian Museum



- \$73.6 million for the Museum of Applied Arts and Sciences
- \$43.8 million for the State Archives and Records Authority
- \$33.5 million for the Historic Houses Trust
- \$5.2 million for the Sydney Opera House.

Entertainment

The NSW Government will invest \$1.1 billion into major entertainment infrastructure projects.

Funding includes:

- \$828.0 million for the Sydney Football Stadium Redevelopment
- \$750.0 million for the new Sydney Fish Markets
- \$355.2 million total remaining costs in developing the Barangaroo precinct

Tourism

The NSW Government is investing in promoting domestic tourism. Initiatives include:

- \$373.4 million for Destination NSW to promote the State's tourism and major events sector, including:
 - \$53.0 million for a COVID-19 response package for eligible disrupted major events
 - \$50.0 million to rejuvenate the State's visitor economy
- \$149.5 million for the Western Parkland City Authority, including:
 - \$47.3 million for enabling works to prepare the site
 - \$5.0 million for the construction of Bradfield City Centre's First Building
- \$50 million to support regional tourism with a \$30 million Regional Tourism Activation Fund and \$20 million with a Regional Events Acceleration Fund
- \$40 million to attract major blockbuster art and museum exhibitions to New South Wales
- \$24 million to expand the State's Arts and Cultural Funding Program
- \$15 million for a Cahill High Line inspired by the Manhattan High Line
- \$5 million to establish the contemporary Heritage Blue Plaques Program
- \$119.3 million capital expenditure to create a cultural venue and public open space at the Registrar General's Building
- \$80.4 million capital expenditure for signature multi-day walking experiences, including the Great Southern Walk (Illawarra)
- \$60 million for the Creative Capital program to deliver new cultural infrastructure projects in Greater Sydney and regional New South Wales
- \$59.9 million for upgrades at 12 country race clubs across regional New South Wales

Further information

The Treasurer's 2021-22 Budget speech is available [here](#).

The 2021-22 NSW State Budget Paper No. 1 is available [here](#).

The 2021-22 NSW State Budget Overview is available [here](#).

Our Barton Deakin Brief on the NSW State Budget 2020-21 is available [here](#).



Our Barton Deakin Brief on the NSW State Budget 2020-21 Half-Yearly Review is available [here](#).

Barton Deakin's Budget Briefs page can be accessed [here](#).

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