

New South Wales Budget 2004-2005

June 2004

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Budget Overview

This paper provides a summary of the New South Wales 2004-2005 Budget, released on 22 June.

The key features of this budget are:

- Capital works expenditure of \$30 billion over the next four years.
- Increased spending on health, education and transport.
- A deficit of \$379 million.

Although delivering a deficit, the NSW Government has allocated funding for a record capital investment program of \$30 billion over the next four years. This excludes private funds provided through PPPs.

The deficit was slightly larger than the \$300 million predicted in the April mini-budget, due to the NSW Government fully funding the pay rise recently awarded to state teachers.

Budget Documents

Online information on the 2004-05 NSW State Budget is available from the following websites:

- Treasurer's Speech: <http://www.treasury.nsw.gov.au/bp04-05/bp1/budspch.htm>
- Budget Statement: <http://www.treasury.nsw.gov.au/bp04-05/bp2/bp2.htm>
- Budget Estimates: <http://www.treasury.nsw.gov.au/bp04-05/bp3/bp3.htm>
- State Asset Acquisition Program: <http://www.treasury.nsw.gov.au/bp04-05/bp4/bp4.htm>
- Appropriation Bills: <http://www.treasury.nsw.gov.au/bp04-05/bp5/bp5.htm>

Capital Works and Spending

Health and Hospitals

The NSW health system will receive an additional \$4.5 billion over the next four years, with an extra \$707 million in 2004-2005.

The Treasurer also heralded a forthcoming announcement by the Minister for Health Morris Iemma to reduce the number of Area Health Services.

Major new projects include:

- \$58 million on various local health initiatives.
- \$23 million for equipment to diagnose and treat cancer.
- \$1.5 million towards a new \$60 million IT patient and clinical system.

Ongoing projects include:

- \$64 million for the Central Coast Health Access Plan.
- \$57 million for the Newcastle Strategy.
- \$29 million for the Western Sydney Strategy.
- \$22 million for the Patient Administration System.
- \$18 million for the Liverpool Mental Health Facility.

Education

In addition to funding the teacher pay rise, the NSW Government has allocated \$448 million in capital works funding for school and TAFE facilities in 2004-2005. Over the next four years, the Government has also allocated \$800 million for various information and technology initiatives.

Major projects include:

- \$544.4 million over four years for the continuing Computers in Schools program.
- \$156.6 million over four years for the network bandwidth initiative.
- \$25 million in 2004-2005 for new capital works projects.

Public Transport

The continued upgrade and renewal of the state's public transport infrastructure is at the forefront of the latest budget. A capital works program of over \$1.1 billion has been allocated for 2004-2005.

Major new works include:

- \$80 million for the railway Clearways project, including the Bondi Junction, Macdonaldtown and Revesby turnbacks, and the duplication of the Cronulla line.
- \$28.7 million for traction power supply upgrades to improve the capacity of the rail network.

Ongoing projects include:

- \$495 million on the Epping to Chatswood rail link.

Other projects of interest:

- \$38.6 million for new buses.
- \$200,000 has been allocated for a bus communications feasibility study.

Roads

The Government has allocated \$2.9 billion in roads funding for 2004-2005, including \$1.2 billion in capital works covering expansion, improvement and maintenance of the state's road network.

Major road projects include:

- \$63 million for the upgrade of Windsor Road and Old Windsor Road to four lanes.
- \$47.5 million for the continued upgrade of the Great Western Highway, including the widening of the highway to four lanes at Leura, Katoomba and Wentworth Falls.
- \$25 million to complete Stage 1 of the Bangor Bypass.

Regional breakdown of road projects (including federal and local government funding):

- \$138.5 million for South West and South Sydney.
- \$2.5 million for Inner Metropolitan and Northern Sydney.
- \$12 million for Western and North Western Sydney, in addition to funding for Old Windsor Road upgrade.
- \$20.5 million for the Hunter region.
- \$25 million for the Central Coast.
- \$44 million for the Illawarra and South Coast.
- \$64.3 million for the North Coast and Northern NSW.
- \$97.3 million for South Western NSW.
- \$12 million for Western NSW:

A total of \$110 million has been allocated for construction and planning projects relating to the Sydney 'Missing Links' orbital network. This includes:

- \$71 million in additional funding for the RTA's management of the Westlink M7.
- \$20 million for works associated with the Cross City Tunnel.
- \$19 million for road improvements required for the Lane Cove Tunnel.
- \$1 million for planning stages of the M4 East Link, funding the EIS process.
- \$2 million for planning associated with the M2 to F3 link.

In addition, the Princes Highway will receive an extra \$62 million, on top of the existing \$830 million upgrade program, while \$196 million has been reserved for the NSW Government's continued contribution to the upgrade of the Pacific Highway.

Infrastructure, Planning and Natural Resources

In addition to new service delivery projects in the area of planning, the Government is introducing a range of measures to assist in natural resource management, particularly water management.

Major new projects in Planning include:

- \$4.5 million over three years to upgrade the Land and Property Information electronic delivery system.
- \$4.5 million over three years to develop an E-Channel service for the Land and Property Information office.

Major new projects in Natural Resources include:

- \$115 million contribution over five years as part of the Murray Darling Basin rejuvenation.
- \$15.6 million over four years for a Water Management Monitoring and Information System.

Energy and Utilities

The budget provides for some limited capital works spending directly through the new Department of Energy, Utilities and Sustainability.

However the Government has allocated over \$2 billion in the next four years to the state's competitive utilities sector, providing funding for power stations, the electricity grid, as well as the storage, treatment and transport of water.

Major capital funding provided to the state's competitive utilities sector includes:

- \$1.4 billion in 2004-2005 for plant upgrades and electricity network infrastructure.
- \$600 million in environmental protection measures and infrastructure spending by Sydney Water and Hunter Water.

Other projects of interest

- NSW businesslink, the shared corporate services initiative for the NSW Government's human services departments, received funding of \$750,000 for a new client portal and \$1.025 million for a new community partners purchasing system.
- Treasury has allocated \$2.5 million to improve the Infringement Processing Bureau system.
- The NSW Department of Housing is spending \$52.3 million in 2004-2005 on new community housing projects, with an additional \$40.2 million on new public housing.

About Hawker Britton

Hawker Britton was founded in 1997 by Bruce Hawker and David Britton, former chief of staff and senior media adviser respectively to Premier Bob Carr. From Sydney, Hawker Britton has grown to eight offices in Australia, the United Kingdom, the United States and New Zealand.

Hawker Britton is Australia's only national and international public affairs firm, working with Top 100 companies, peak bodies, and not-for-profit organisations. Hawker Britton specialises in providing services tailored to the unique needs of each business, in the areas of government relations, strategic communications, and campaigns.

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Key services in Government Relations include:

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Hawker Britton's Strategic Communications include:

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- Financial communications
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- Corporate and association elections
- Public affairs campaigns
- Corporate campaigns

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For more information, contact our Sydney office (02) 9279 0200 or email info@hawkerbritton.com.au