

2023-24 NSW Budget

On 19 September, New South Wales Treasurer the Hon. Daniel Mookhey MLC delivered the first Budget of the Minns Labor Government and the first Labor Budget since 2010.

The approach of Labor in New South Wales is based on responsibility and reward, inclusion and opportunity. Economic stability creates social stability. Opportunity and reward rely on and enable diversity and co-operation. Well managed state finances are the first duty of government. The Budget includes measures to stabilise the fiscal position and lower debt, to deliver services and cost-of-living support to the people of New South Wales.

The 2023-24 Budget predominantly focuses on their \$2.2 billion housing package set to relieve the supply shortage.

The Premier took to twitter prior to the Budget's release, noting that this is a "budget of firsts", notably being delivered by the state's first Hindu Treasurer and first female Finance Minister.

A significant feature of the Budget is the \$72.3 billion into transport projects such as the Sydney Metros and the Western Sydney Airport connection.

The 2023-24 Budget projects a deficit of \$7.8 billion in 2023-24, and then improved surpluses in every year thereafter, reaching \$1.5 billion in 2026-27.

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

The 2023-24 NSW Budget is available in full [here](#).

Treasury and Finance

The Minns Labor Government took office in March 2023, and at that time the NSW Government was facing gross debt of \$188.2 billion by June 2026. The new government was also warned that there were important programs without funding, to the value of \$7 billion. The high level of spending left the State with limited buffers in the event of an economic or financial future shock. Targeted and disciplined intervention has been put in place via the 2023/2024 Budget to ensure the quality and quantity of services in the State.

Economic and Fiscal Outlook

The state of New South Wales has rebounded following COVID-19 however many households are under pressure and the outlook is challenging. Inflation remains high (6.6% in the June quarter), the price of food has increased by 7.8%, and household energy costs have increased by 24.3%. Housing costs are high, and dwelling construction is below the levels needed to reach the Housing Accord target.

The Budget begins the task of repairing the State's budget position. \$13 billion has been redirected to unfunded programs and essential services. The Budget projects a modest

surplus of \$844 million in 2024/2025. Initiatives to reduce gross debt by \$14.8 billion by June 2026 will be put in place.

The Budget includes measures to support households who are facing higher energy prices, rising tolls, increasing rents, and mortgage payments. The NSW Labor Government plan to invest in essential services that are the key to building a stronger community.

Community

Rebuilding and Protecting Communities

Since 2019 many areas of NSW have been impacted by natural disasters. The NSW Government is investing \$4.0 billion in natural disaster support and response programs, including:

- \$3.2 billion through the Disaster Relief Account, which is eligible for co-funding from the Australian Government.
- \$299.3 million for Transport for NSW to restore roads impacted by disasters.
- \$128.3 million to repair critical water and sewage infrastructure damaged in flood events.
- \$99.9 million for state funded Resilient Lands Program.
- \$96 million for NSW Land and Housing Corporation to deliver social housing across flood impacted locations.
- \$58 million for Flood Recovery Support for the Department of Customer Service.

The NSW Reconstruction Agency, who is responsible to support clean-ups and damage assessments, organise safe temporary housing, and rebuild essential infrastructure will receive \$121 million.

Making Communities Stronger and Fairer

Ahead of the October 14 Voice Referendum, the NSW Government has reaffirmed its commitment to genuine reconciliation with the Aboriginal and Torres Strait Islander peoples of New South Wales and supporting self-determination and empowerment by establishing a treaty process. The Government will undertake a 12-month consultation process with Aboriginal communities to inform a pathway to Treaty, at a cost of \$5 million.

The budget includes \$131.4 million to progress the 28 co-developed Closing the Gap initiatives, developed in partnership with the NSW Coalition of Aboriginal Peak Organisations.

Programs that support gender equality and diversity are included in the Budget; they include:

- \$3.9 billion for support in the NDIS, enabling people with a disability, their families, and carers to achieve their goals and participate fully in the community.
- \$300 million to expand the Transport Access Program to upgrade stations to make them more accessible, safe and secure.

- \$39.1 million to prevent domestic, family and sexual violence, and support victim safety.
- \$47.8 million for the Multicultural Communities Support Package.
- \$30 million for the Level the Playing Field Facilities Fund for new and upgraded facilities to empower women to participate in sport.

The NSW Government has made a commitment to gambling reform with \$100 million to support an expansion of the cashless gaming trial, gaming reform, and the delivery of harm minimisation programs.

Health

Facilities

- \$13.8 billion to healthcare facilities.
 - \$400 million for a new hospital in Rouse Hill.
 - Redevelopment of Fairfield hospital.
 - Upgrades to Royal Prince Alfred, Mount Druitt and Canterbury hospitals.
- \$19 million for free parking at all rural and regional hospitals.
- 600 more beds in Western Sydney hospitals.

Workers

- \$2.5 billion to encourage recruitment and retainment of healthcare professionals.
- 4.5% pay increase for healthcare workers.
- \$121.9 million to encourage students to take up healthcare professions.
- \$170.8 million to increase salary package benefits.

First Nations Health

- \$25 million to promote health and wellbeing within the Indigenous communities

Transport and Infrastructure

Infrastructure

- \$1.9 billion allocated for infrastructure with one quarter designated specifically to regional areas.
- \$300 million to support the state-owned developer 'Landcom' to develop 4,700 new homes, with a third dedicated to social housing projects.
- The Government have made changes to the Greater Cities Commission, bringing it back to the Government to control.
- \$1.5 billion for a New Housing Infrastructure Fund.
- \$2.2 billion to build new housing neighbourhoods across the state.

Public Transport

- \$72.3 billion commitment to road and rail over the next four years.

- This includes \$1 billion to improvements to the Sydney Metro.
- Western Airport connection.
- Development of the Sydney Metro West.
- \$302.7 million for the Western Sydney Rapid Bus network.
- \$200 million for the Parramatta light rail.
- \$300 million for train station upgrades.

Roads

- \$60 weekly cap on toll road expenses for daily drivers.
- 33% reduction to the truck toll multiplier on the M5 East and M8.
- \$2.4 billion for road upgrades in Western Sydney.
- \$770 million for the Urban Roads Fund to build major roads in metro areas.
- \$390.0 million for a Regional Emergency Road Repair Fund to fix roads impacted by natural disasters and major weather events.
- \$334.0 million for Regional Roads Fund to build new roads in rural and regional cities.

Education

Education Future Fund

- \$278.4 million over four years for permanent literacy and numeracy tutoring programs in primary and secondary schools.
- Converting 10,000 temporary teaching positions and 6,000 school administrative staff into permanent positions.
- \$20 million investment boost to the Innovative Teacher Training Fund to attract the best and brightest teachers.

School Infrastructure

- \$9.8 billion over the next four years to provide for the growing needs of communities, including:
 - \$3.5 billion over four years for 24 new and 51 upgraded primary and high schools in Western Sydney.
 - \$1.4 billion over four years for 19 new and 35 upgraded schools in regional New South Wales.
 - a plan to deliver new and upgraded schools in fast growing areas.

Early Childhood Education and Care

The Budget maintains the \$5.0 billion investment over 10 years in the Childcare and Economic Opportunity Fund and maintains \$5.7 billion in funding over 10 years for universal preschool access.

This Budget delivers on these priorities through:

- \$769.3 million for 100 new preschools on public school sites and \$60 million for new and upgraded non-government preschools.

- \$64 million over two years for trialling preschool fee relief for eligible three-year-old children to save parents and carers \$500 a year.
- \$28.5 million in the essential early childhood education and care workforce, including \$3.0 million to strengthen the workforce pipeline and \$10.0 million for professional development to prevent workforce attrition.
- \$200 million to Out of Home Care services, to provide permanency services and post-care support.

Teachers

- \$1.9 billion to boost teacher pay over four years to 2026-27.

Jobs, Skills and Training

Industrial Relations

- \$3.6 billion for the establishment of the Essential Services Fund to enable the Government to improve services by negotiating workplace changes.

Healthcare workers

- \$572 million in ongoing funding for 1,112 nurses and midwives over three years to 2026-27. The funding will improve health outcomes, take pressure off NSW hospitals, and retain experienced nurses and midwives in the NSW Health workforce.

Cost of living

- \$1.3 billion towards energy bill subsidies.
 - \$250 for families.
 - \$250 for seniors.
 - \$350 for low-income earners.

Environment and Energy

From 1 January 2024, the Department of Planning and Environment will be split into two entities, the Department of Climate Change, Energy, the Environment and Water and the Department of Planning, Housing and Infrastructure.

The NSW Government Electricity Infrastructure Roadmap

- \$1.8 billion investment in transmission and energy storage solutions.
 - \$804 million to the State's Renewable Energy Zones.
 - \$1 billion to establish the Energy Security Corporation to drive investment in renewable energy.
- \$263.5 million to support the roll out of electric vehicles, through accelerating the development of EV infrastructure.

Further information



For further information on the 2023-24 NSW Budget, contact Hawker Britton NSW Director [Mike Tegg](#), Managing Director [Simon Banks](#), or Policy and Business Analyst [Bethany Shields](#).

Further Hawker Britton Occasional Papers on the activities of the NSW Government are available [here](#).