

2025-26 New South Wales Budget

24 June 2025

On Tuesday, 24 June 2025, New South Wales Treasurer, the Hon Daniel Mookhey MLC, delivered the 2025-26 Budget.

The Minns Government has framed this budget around a long-term strategy for fiscal repair and economic resilience, with a projected return to surplus by 2027-28. Treasurer Mookhey emphasised that sustained economic growth remains a central priority for this government.

Key budget measures are designed to stimulate economic activity, cut red tape for the development industry, and strengthen essential workforces. This includes a \$1 billion pre-sale finance guarantee aimed at reducing regulatory barriers, and targeted investment in priority skill areas including construction and education.

The Budget also announces the establishment of a new Investment Delivery Authority, intended to expedite approvals for non-residential developments with a valuation of \$1 billion with primary focuses on infrastructure and energy transition investments. Significant allocations have also been made to the creative industries with \$280 million for Screen NSW and \$135 million for Destination NSW expected to bolster the tourism and visitor economy.

Social investment is a prominent feature of this budget, with a \$1.2 billion commitment to reform the outdated out-of-home care system. This includes a 20% increase to the foster care allowance and \$191 million dedicated to workforce attraction and retention. Additionally, the Government has also announced a \$730 million package to support First Nations communities in the budget, including an extra \$200 million towards reaching Closing the Gap targets.

The 2025-26 NSW Budget papers can be found [here](#).

The Treasurers Budget Address can be found [here](#).

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Budget Outlook & Fiscal Position

Having inherited a \$15.3 billion budget deficit, the Minns' Government 2025-26 Budget outlines a responsible path back to a moderate surplus. NSW Budget deficit has increased to \$3.4 billion in 2025-26. This is an increased deficit compared to the mid-year review, which projected a \$2.2 billion deficit.

Budget Result (\$b)	2024-25	2025-26	2026-27	2027-28	2028-29
2024-25 Half-Yearly Review	-5.0	-2.2	-1.7	-1.3	N/A
2025-26 Budget	-5.7	-3.4	-1.1	1.1	1.1

Expense growth is now projected to average just 2.4 per cent a year, down from 6.2 per cent in the five pre-Covid years under the previous government. The \$188.2 billion of gross debt projected in the Pre-Election Budget Update is now set to be \$178.8 billion by June 2026.

Pressures remain on the State Budget, including the cost of natural disasters and rising workers compensation which the Minns Labor Government is working to address. Despite these pressures the Government projects that the budget will return to a \$1.1 billion surplus in 2027-28.

2025-26 Budget Commitments

Housing and Planning

- **\$1.2 billion** in 2025-26 in TAFE to focus on building a skilled workforce for construction, including the creation of 23,000 new construction workers and 4800 site-ready workers.
 - **\$78 million** to retain TAFE educators by making these permanent positions rather than casual.
 - **\$40.2 million** to continue fee-free apprenticeships and traineeships for priority qualifications.
- **\$83.4 million** to accelerate planning approvals, including for large-scale market, social and affordable housing projects.
- **\$20.9 million** to support regional councils to bring forward critical enabling infrastructure for new homes by funding interest on loans
- **\$10.1 million** to deal with water issues that affect housing and development.
- **\$145.0 million** will support the ongoing work of the Building Commission NSW to reform the building and construction industry

Presale Finance Guarantee

- The Government is committing **\$1 billion** for the Presale Finance Guarantee. The Minns Labor Government will become the guarantor of new housing projects on a rolling basis, bringing forward the construction of up to 15,000 extra market homes over the next five years and creating 1,500 jobs.
 - The Government is also making the build-to-rent tax concession permanent as part of this budget.

Jobs and Industry

- The Government is creating a new Investment Delivery Authority to fast-track proposals valued over \$1.0 billion through our planning system and regulators.
- **\$27.3 million** Future Jobs and Investment Authority will coordinate new economic opportunities in coal-producing regions in the Hunter, Illawarra, Central West and North-West.
- **\$12.5 million** NSW Take-Off Fund will boost our tourism and export industries.
- **\$38.5 million** investment in Tech Central including the relocation of the Sydney Startup Hub and an enhanced collaboration hub at the centre of New South Wales' innovation ecosystem
- **\$140.0 million** in protecting and growing primary industries through biosecurity enhancements, pest control, and additional funding for research and development.
 - **\$100.0 million** will sustain critical biosecurity functions.
 - **\$41.2 million** will enhance and modernise primary industries research and development.

Innovation Blueprint

- **\$79.2 million** package, Innovation Blueprint programs will help businesses and researchers leverage private investment and new technology to drive innovation and growth at scale.
 - **\$20.0 million** for the Emerging Technology Commercialisation Fund, including the continuation of the Biosciences Fund and Physical Sciences Fund
 - **\$6.0 million** to establish an Innovative Manufacturing Adoption Fund
 - **\$6.0 million** to continue the Minimum Viable Product Ventures Program

Creative Industries

- **\$586 million** in the Budget for tourism, film, screen, games, and our other artistic industries.
 - **\$280.6 million** for Screen NSW.
 - **\$100 million** for a new film studio.
 - **\$135 million** for Destination NSW will help grow our visitor economy.
 - **\$91.3 million** will renew tracks, campgrounds, and picnic areas in national parks.

Education

Better and Fairer Schools Agreement

- Injects **\$10.4 billion** of funding into New South Wales public schools over the next 10 years.
 - The NSW Government is adding **\$5.6 billion** alongside \$4.8 billion from the Commonwealth Government

School infrastructure

- **\$9.0 billion** of school infrastructure investment over four years for new and upgraded schools.
- **\$50.0 million** will expand high potential and gifted education opportunities at more public schools across the State

TAFE

- **\$2.8 billion** in 2025-26. This is critical to grow skilled workforces
- **\$480.4 million** over four years for asset renewal and critical capital maintenance
 - **\$100 million** to relocate Bankstown TAFE

Early Childhood Education

- **\$10.0 million** in 2025-26 will progress work on expanding the public provision of early childhood education and care.
- **\$200.9 million** will increase First Nations access, enrolment and attendance in early childhood education

Health

- **\$12.4 billion** to build and upgrade health infrastructure over the next four years, with **\$3.3 billion** in 2025-26.
 - **\$700.0 million** in additional funding for the New Bankstown Hospital
 - **\$492.0 million** to develop a Statewide Pathology Hub on the Westmead campus
 - **\$210.0 million** (including \$120.0 million committed by the Australian Government) to provide the full range of maternity and birthing services at the new Rouse Hill Hospital
 -
- **\$83.8 million** for a Maternity Care and First 2,000 Days package to grow and upskill the maternity workforce



- **\$21.9 million** for the Aboriginal Families First 2,000 Days package to provide culturally responsive care during pregnancy and the first five years of life.
- **\$9.5 million** will create an internal health locum agency to improve workforce coordination and retention.
- **\$158.8 million** to continue delivering three new regional helicopter bases
- **\$37.5 million** to expand the mobile dental van program and other dental services.
- **\$23.1 million** to expand community-led suicide prevention and wellbeing support programs for First Nations people
- **\$15.4 million** in 2025-26 to boost the community mental health workforce and enhance mental health support for young people and regional communities.
- **\$669.8 million** will continue delivering infrastructure required to progress key mental health reforms for improved mental health care.
- **\$344.0 million** package will better support injured workers, including to restore the independence of SafeWork NSW, ensuring it is resourced to protect workers from harm, including psychosocial hazards.
- Doctors bulk-billing more than 80% of their patients in metropolitan Sydney - and 70% of patients in Regional NSW - are exempt from payroll tax on contractor wages.

Transport and Roads

- **\$522.2 million** to improve public transport.
 - **\$369.9 million** to maintain and uplift bus services, including improved connections to trains and metros, and increased school services
 - **\$82.3 million** for 75 new buses
 - **\$70.0 million** for a 35-metre ferry wharf and upgrading the Wentworth Park Light Rail stop at the new Sydney Fish Market.

Western Sydney

- **\$2.4 billion** in new and improved roads, in partnership with the Australian Government.
 - **\$1.0 billion** for the first stage of the Fifteenth Avenue Upgrade between Liverpool and the new airport
 - **\$500.0 million** for Mona Vale Road West
 - Henry Lawson Drive Upgrade Stage 1B – **\$220.0 million**
 - Homebush Bay Drive – **\$200.0 million**
 - Western Sydney Heavy Vehicle Rest Area – **\$80.0 million**
 - Devonshire Link Road and Bradfield Metro Link Road planning – **\$25.0 million**
 - Dapto Ramps planning – **\$40.0 million**
 - Bucketts Way and Medowie Road/M1 Intersection Upgrades planning – **\$12.0 million**
 - **\$123.6 million** for safety and access road upgrades and planning for Devonshire Road. This brings NSW and Australian Government investment in the Aerotropolis to over **\$25.0 billion**.

Road Safety

- **\$731.7 million** in 2025-26 jointly with the Australian Government.
- **\$58.0 million** will establish, operate and manage the NSW Motorways Entity and continue the Toll Reform Program.

Emergency Services and Disaster Recovery

- **\$4.2 billion** of disaster relief across the forward estimates, a figure that is likely to increase in response to both previous and potentially new natural disasters.
- **\$154.5 million** for disaster recovery and relief measures in response to Tropical Cyclone Alfred.
- **\$358.3 million** for disaster recovery and relief measures in response to the May 2025 East Coast floods.
- **\$27.0 million** for repair and restoration of water and sewer infrastructure in the Central West, damaged by 2022 severe weather and flooding.

Emergency Response

- **\$42.2 million** to operate a new 24-hour fire station with 52 permanent firefighters at Badgerys Creek, providing dedicated fire and rescue coverage for the Western Sydney International Airport and the broader Aerotropolis precinct
- **\$35.9 million** for Fire and Rescue NSW to maintain fire, rescue and hazardous materials response services
- **\$34.4 million** for the NSW Rural Fire Service to continue leasing its fixed-wing aircraft and helicopters for emergencies
- **\$33.9 million** for telecommunications to strengthen the Public Safety Network
- **\$17.0 million** for the renewal of Fire and Rescue NSW' firefighting fleet

Justice and Community Safety

The Budget invests over **\$650.0 million** to support victim-survivors

- **\$226.8 million** for the Victims Support Scheme
- **\$272.7 million** for domestic, family and sexual violence services to continue work on reducing violence against women and children and supporting victim-survivors.
- **\$48.3 million** for the Office of the Director of Public Prosecutions to keep pace with the growing volume and complexity of cases
- **\$12.8 million** for the Child Sexual Offence Evidence Program
- **\$49.4 million** for a new hub to support victim-survivors to participate in legal proceedings in a trauma-safe environment
- **\$34.5 million** for upgrades to the Downing Centre and John Maddison Tower
- **\$50.0 million** to deliver critical upgrades to NSW Police Force ICT infrastructure
- **\$46.3 million** for a new replacement Police Class 1 Ocean Patrol Vessel
- Additional **\$100.5 million** is being provided to address rising demand in the corrections system
- **\$87.7 million** to fund Cyber Security NSW' work with government entities

Energy, Environment & Climate Change

Energy & Climate Change

- **\$2.1 billion** over the next four years in the Transmission Acceleration Facility, primarily to support the five Renewable Energy Zones at Central-West Orana, New England, Hunter-Central Coast, Illawarra and Southwest.
- The Budget invests an additional **\$115.5 million** to build a logistics precinct at the Port of Newcastle, to support the construction of the Central-West Orana Renewable Energy Zone
- **\$579.0 million** from the Australian Government to extend the national Energy Bill Relief payment

Environment

- **\$472.9 million** for long-lasting biodiversity protections and environmental management
- **\$91.3 million** to renew and upgrade visitor infrastructure in national parks
- **\$16.7 million** in 2025-26 to support the establishment of an Office of Animal Welfare and the animal welfare compliance and enforcement functions of approved charitable organisations
- **\$319.1 million** for the Sustainable Diversion Limit Adjustment Mechanism Program to improve river health and increase the amount of water returned to the environment
- **\$75.1 million** is being invested to protect the health of rivers

First Nations

\$731.8 million to support First Nations communities in New South Wales

- **\$202.4 million** of new funding towards Closing the Gap
 - **\$33.4 million** for community-led justice initiatives to reduce recidivism and contact with the justice system
 - **\$31.5 million** to improve shared access to data and empower First Nations communities to use data to drive decision-making
 - **\$23.8 million** to revitalise First Nations languages
 - **\$23.1 million** for culturally responsive community-led suicide prevention initiatives
 - **\$21.9 million** to expand Aboriginal Maternal and Infant Health Services
 - **\$18.4 million** for the NSW Coalition of Aboriginal Peak Organisations
 - **\$12.1 million** for the Aboriginal Employment Program
- **\$484.9 million** of investment for First Nations communities
 - **\$210.2 million** for the Aboriginal Housing Office to deliver social and affordable housing in New South Wales
 - **\$200.9 million** to improve access to culturally safe, high-quality early childhood education.
- **\$61.9 million** over four years to support and improve whole-of-government native title claims management, policy and governance

Culture and Sport

- **\$54.1 million** for critical capital maintenance
- **\$20.6 million** for the Office of the 24-Hour Economy Commissioner
- **\$20.0 million** for Sound NSW to implement the NSW Contemporary Music Strategy
- **\$20.0 million** for Create NSW to continue delivering services to support creative industries and the NSW Creative Communities Policy.
- **\$59.8 million** to refurbish the heritage-listed Pyrmont Bridge
- **\$41.6 million** to deliver the Better Open Spaces grant program
- **\$50.0 million** to transform part of Moore Park South into a new 20-hectare public park
- **\$25.8 million** for the Office of Sport to support local community-based sport.
- **\$14.5 million** for Multicultural NSW to support community cohesion and the state's diverse multicultural communities.
- **\$12.9 million** in 2025-26 to deliver the NSW Veterans Strategy 2025-2030, which includes the new \$2.0 million memorial in the Domain.

Caring for Community

Out-of-Home Care

- **\$1.2 billion** child protection package will begin the process of rebuilding the Out-of-Home Care system and improving outcomes for the state's most vulnerable children
 - **\$797.6 million** to reform OOHC and continue support during the transition
 - **\$191.5 million** to recruit more than 200 and retain 2,126 caseworkers
 - **\$143.9 million** to provide an increase of 20 per cent to foster care allowances
 - **\$49.2 million** for 44 government-owned, purpose-built or upgraded residential care homes for children aged 12+ with complex needs

Crisis-Accommodation and Homelessness

- **\$20.0 million** for crisis accommodation.
- **\$10.4 million** to expand early intervention and homelessness services at the Bill Crews Foundation.
- **\$10.3 million** for the NSW Food Transport Program to help Foodbank deliver food relief.

Further Information

For more information, please contact Hawker Britton's Director [John Jarrett](#) on +61 434 384 745.

Further Hawker Britton Occasional Papers are available [here](#).