



NEWS from NSW

APRIL 2017

AN ECONOMIC UPDATE FROM THE PARLIAMENTARY SECRETARY TO THE PREMIER AND TREASURER



Welcome to my first economic newsletter since taking up my new role. NSW continues to have the strongest economy in the nation. ABS data for 2015-16 showed NSW real Gross State Product grew by 3.5%.

The strong growth was supported by an increase in exports, especially in services such as education and tourism (both with 12.5% growth), as well as housing and business investment. The NSW Government is determined to ensure NSW remains the powerhouse of the Australian economy.

GOVERNMENT ACHIEVEMENTS

In the past two years, the NSW Government has honoured more than 200 election commitments. The Government has opened and upgraded 14 hospitals, funded more than 1100 new classrooms and provided over 25,000 additional student places. Another 15 new and relocated schools, along with 24 major school upgrades, are under construction or in the design/planning stages.

Regional infrastructure projects include \$500 million for a new Broken Hill water pipeline and the \$4 billion program to upgrade the last 155 km section of the Pacific Highway to four lanes.

More new jobs, record infrastructure and an increased housing supply also underscore the economic achievements of the NSW Government.

BUSINESS INVESTMENT

The February 2017 NAB Business Survey shows NSW businesses are enjoying the most favourable business conditions in Australia. Business spending in NSW grew by almost 10% to \$29.2 billion in 2016, while falling by more than 20% for the rest of Australia.

The NSW Government's \$73 billion infrastructure program and strong financial management has fostered confidence for NSW businesses, leading to increased investment and more jobs.

HOUSING APPROVALS SOAR

NSW building approvals rose by 12.6% in the year to February, while approvals for the rest of Australia fell 12.5%.

There were 75,075 annual approvals in NSW, more than double the pace of approvals during Labor's last term in office. The Government's efforts to simplify and streamline the planning process for new homes are clearly assisting.

In the 12 months to January this year, housing completions hit their highest level in 46 years. 35,382 houses were completed in Greater Sydney – 26% more than for the same period the year before.





SMALL BUSINESS SUCCESS

ABS data shows that 20,000 actively trading businesses were established in NSW in the 2015-16 financial year, an increase of 3% on the previous 12 months.

NSW small businesses (employing 19 or fewer people) make up 98% of businesses and pay about \$47 billion in wages to almost half the NSW workforce. 16% of employees are in the construction sector, 13% in professional, scientific and technical services, and 11% in rental, hiring and real estate services.

The NSW Government recently launched the Business Connect advisory service, which offers high quality advice to people starting or growing businesses. Thousands of business owners attended the 160 events held across NSW during Back to Business week last month.

CONSUMER CONFIDENCE REMAINS STRONG

Consumer confidence in NSW rose 2.4% to 106.4 in March this year. This is above the national average of 99.7, the highest state rank for the fifth consecutive month.

Solid policy leadership by the NSW Government and stronger consumer spending have combined to produce a more positive environment. NSW remains the best place to live, work and raise a family.

Authorised and printed by Jonathan O'Dea MP using parliamentary entitlements.

HOUSING AFFORDABILITY



Housing affordability is one of the Premier's key priorities, alongside local infrastructure and a strong economy. We want home ownership to be within reasonable reach for people in NSW.

The Government believes that growing housing supply is the most effective way to achieve this, helped by increasing land releases and new supporting transport infrastructure. Other policy proposals are being considered for the upcoming budgets at Federal and NSW State levels.

The Government has worked hard to address housing supply challenges and intends to do more, including through land releases, faster housing approvals, cutting red tape, medium density houses, rezoning, and funding for local infrastructure such as roads and schools.

LOWEST UNEMPLOYMENT

Unemployment in NSW in February was 5.2%, a full 1% below the rest of Australia. NSW has had the lowest unemployment rate of any state for 21 consecutive months.

NSW added 10,200 full time jobs in February, bringing the number of jobs added to the NSW economy, since 2011, to 300,300. This accounted for 37% of new jobs across Australia.

INFRASTRUCTURE ANNOUNCEMENT

The Premier has clearly committed to constructing the Beaches Link tunnel underneath Middle Harbour in Sydney's north. The Beaches Link will bypass 19 sets of traffic lights to the CBD and hugely reduce travel times for northern beaches car and bus commuters. An initial \$77 million has been allocated to the project, which will enable geotechnical work to start this month.

