

MAJOR POLICY ANNOUNCEMENT

SUBJECT: NSW BUDGET REPLY

MADE BY: BARRY O'FARRELL MP, LEADER OF THE OPPOSITION

DATE: 10 JUNE 2010

SUMMARY:

On Thursday 10 June the NSW Opposition Leader, Barry O'Farrell MP, delivered his budget reply speech, outlining a number of plans the NSW Opposition intends to take to next year's election.

The Coalition will establish a major capital infrastructure fund known as "Restart New South Wales" of up to \$5 billion with a mandate to increase productivity. The Fund will focus on key infrastructure including:

- roads infrastructure to address urban congestion, black-spots and missing links;
- economic infrastructure to address the economic competitiveness of New South Wales, including freight and water; and
- hospitals and health infrastructure.

Restart NSW will be funded from three principal sources:

- Windfall tax revenues – if tax revenue is greater than Budget estimates, it will be reinvested into the Fund.
- A Coalition Government would enter into a long-term contract for Sydney's desalination plant, expected to realise \$1.2 to \$1.5 billion gross for the Fund.
- By raising funds through additional borrowings including through the establishment of Waratah Bonds, where individuals and businesses will be able to buy governments bonds.

Restart NSW will work with Infrastructure NSW, the independent expert body announced by Mr O'Farrell last year. Thirty percent of the Fund will be spent in regional NSW.

Other announcements included:

- A \$7,000 relocation rebate for people who sell their property in Sydney and move to regional New South Wales.



- Procurement reform – an increase in the proportion of government expenditure on goods and services purchased through whole-of-government contracts from the 30 percent under the current Government to 60 percent under a Coalition Government.
The increase will be driven through a policy of requiring departments to use whole-of-government contracts unless local suppliers can offer better prices.
- A franchise model for Sydney Ferries to involve business in the leasing, maintenance and operation of the ferry fleet. According to the Opposition Leader, this would operate on a similar model to that currently operating with Brisbane Ferries.