

REBUILD THE ECONOMY

The Government's number one priority is to restore economic growth and establish NSW as the first place in Australia to do business.

Strengthening our finances and boosting the Government's productivity will free up resources to improve our competitive edge to attract investment and enterprise within Australia, our region, and the world. It will enable the private sector to maximise its growth potential and boost NSW's overall economic performance.

The Government has acted quickly to restore control of NSW finances by establishing clear strategic priorities for the next decade; starting to bring expenses back under control; and cutting taxes like the home buyer's tax.

Achieving growth in the NSW economy will not only generate more jobs but produce more revenue to improve services, reduce taxes, build more infrastructure, and tackle the cost of living.

In addition to developing our opportunities in Sydney, Western Sydney, the Hunter and the Illawarra, regional NSW will be supported to play a key role in our future economic growth. The Government is pursuing 'whole of state' development with support for high performance and high potential growth industries, and a boost to the skills and qualifications that businesses need.

We will enhance trade and export performance, by targeting and attracting international investors into priority sectors, and growing the capability amongst NSW's exporter base. We will engage closely with the tertiary sector, and leverage our valuable multicultural and linguistic strengths.

The objective is to make Sydney not just number one in Australia, but a leading economic and financial capital in the Asia-Pacific Region.

NSW is open for business.

DELIVERING CHANGE

**Targeting 100,000 new jobs,
including 40,000 in regional NSW**

New infrastructure

More land available for housing and jobs

Grow critical industries and investment

20% red tape reduction

Improving public sector efficiency

Boosting skills and qualifications

1 GOAL 1 IMPROVE THE PERFORMANCE OF THE NSW ECONOMY

A growing economy delivers jobs, opportunities and increased prosperity. It also delivers the tax revenue governments need to fund world class services and infrastructure. Our goal is for NSW to lead Australia in sustainable economic growth, and we are committed to restoring NSW's position as the engine room of the Australian economy and the first place to do business. The NSW Government has a key role to play in restoring our economic health through improving infrastructure, ensuring our taxes are competitive and facilitating increased trade with overseas markets.

ACCOUNTABILITY

Minister for Trade & Investment,
Minister for Regional Infrastructure
& Services

TARGETS

GROW BUSINESS INVESTMENT BY AN AVERAGE OF 4% PER YEAR TO 2020

PRIORITY ACTIONS

Increasing business investment by an average of 4% per year will provide the foundation for securing jobs and long-term economic activity in NSW. We will achieve this target by making NSW the first choice for local and international investors and by supporting our existing businesses to grow. Actions to achieve this target include:

- Target and attract potential international investors into priority sectors, especially where we have overseas NSW trade and investment, tourism or education offices
- Deliver programs and project facilitation services to assist individual business investment to proceed in NSW which create new jobs
- Leverage research and development activities to drive new investment opportunities in NSW. For example, the Centre for International Finance and Regulation and the Australian Centre for Broadband Innovation will be important in attracting new investment in the finance, information, communication and technology sectors
- Promote the capabilities of NSW industries in key overseas markets by delivering an annual program of international events and promotions to profile NSW, support exporters and attract investors, including national 'flagship' events such as *G'day USA*.

GROW GSP PER CAPITA BY AN AVERAGE 1.5% PER YEAR TO 2020 WITH SPECIFIC INDUSTRY GROWTH TARGETS

- Increase tourism in NSW with double the visitor expenditure by 2020
- Grow critical industries – professional services (financial, professional, legal), manufacturing, digital economy and international education and research
- Increase the value of primary industries and mining production by 30% by 2020
- Grow exports from NSW
- Grow the value of cultural diversity to the NSW economy

The Government's strategy to grow Gross State Product per capita by 1.5% on average per year represents a significant boost to the NSW economy from business as usual. This growth is achievable based on improved performance in our most competitive industry sectors. Actions to achieve these targets include:

- Develop *Industry Action Plans* for professional services, manufacturing, digital economy, tourism and events, international education and research by June 2012, in partnership with industry
- Position Sydney as a global financial capital and a regional centre for international development finance
- Through the *New Frontiers* program we will attract petroleum and mineral exploration investment in under-explored areas of NSW and grow NSW mineral and petroleum production
- Double tourism expenditure in NSW through the *Visitor Economy Action Plan* and establishment of *Destination NSW* with increased funding
- Give specific attention to regional tourism with an injection of \$5 million to regional tourism organisations
- Establish the Multicultural Business Advisory Panel to encourage businesses and individuals from other countries to establish business in NSW.

TARGETS

GROW EMPLOYMENT BY AN AVERAGE OF 1.25% PER YEAR TO 2020

- Reduce the gap in employment outcomes between Aboriginal and non-Aboriginal people within a decade
- Increase the proportion of young people in employment or learning (15–24 years)
- Increase the proportion of people over 55 participating in employment
- Increase the proportion of women employed in non-traditional occupations in NSW

PRIORITY ACTIONS

A strong economy generates opportunities for fulfilling jobs, choices and financial security. Our target is to make sure average employment growth continues at a steady rate and that the opportunities are shared by all in the community. Actions to support employment include:

- Target the creation of 100,000 new jobs through our *Jobs Action Plan*. Through a payroll tax rebate we are lowering the tax burden for businesses, helping to stimulate an additional 100,000 jobs in NSW, including 40,000 in regional NSW
- Work more effectively with Local and Commonwealth Government agencies to overcome impediments to industry growth across NSW
- Support small and medium sized businesses through the creation of the Office for Small Business and the Small Business Commissioner and by paying government bills within 30 days
- Respond to business restructuring by assisting in the training and re-employment of displaced employees and facilitate business investments in NSW which result in the creation of new jobs
- Increase the number of women completing apprenticeships in non-traditional trades through mentoring, the introduction of part-time apprenticeships and highlighting training pathways and career opportunities in trades for younger women
- Deliver actions that aim to achieve 2.6% Aboriginal employment in the public sector by 2015
- Use the purchasing power of the NSW Government to create more job opportunities for Aboriginal people by supporting non-government organisations and service suppliers that offer apprenticeships, cadetships and traineeships to Aboriginal people.

GOAL 2 REBUILD STATE FINANCES

Strong economic growth generates government revenue, enabling us to provide higher service standards and improved infrastructure. We cannot live beyond our means – growth in expenses should not outstrip revenue growth. We will ensure disciplined and effective management of public finances so that we can continue to deliver services and infrastructure like hospitals, schools and transport, and to protect the most vulnerable people in our society. The Government will also introduce measures to drive better performance and responsible management through increased accountability and transparency in financial reporting.

ACCOUNTABILITY
Treasurer

TARGETS

EFFECTIVE BALANCE SHEET MANAGEMENT

- Maintain AAA credit rating
- Fully fund superannuation liability by legislated target
- Increase the general government and total state sector average net worth over rolling four year periods
- Ensure expense growth will be less than or equal to trend revenue growth

IMPROVE FINANCIAL MANAGEMENT AND CONTROLS

- Minimise variation from controllable expenses

IMPROVE EFFICIENCY AND EFFECTIVENESS OF EXPENDITURE

- Subject all capital projects to Benefit Cost Ratio assessment
- All agencies to be subject to efficiency and effectiveness reviews on a rolling basis

PRIORITY ACTIONS

Disciplined, responsible and effective management of NSW Government finances is fundamental to rebuilding State finances. Actions to deliver these targets include:

- Conduct a Commission of Audit into State finances, expenditure and management to assess the State's financial position and to study aspects of government expenditure and management leading to long term reforms
- Develop comprehensive fiscal and savings strategies to help NSW maintain its AAA credit rating and to align expenditure and revenue growth
- Undertake triennial reviews to ensure the NSW Government remains on track to fully fund its superannuation liability.

Effective management and control of expenditure will deliver improved predictability of how much money the Government will be required to spend. Actions to deliver this target include:

- Review budget processes and systems in order to better support sound, sustainable and effective financial decision making and resource allocation, and to ensure alignment with *NSW 2021* goals.

By increasing the efficiency and effectiveness of expenditure, the Government can achieve its desired outcomes at a lower cost. This will allow Government to reduce taxes and improve public services. To deliver this target we will:

- Develop legislation to replace the *Public Finance and Audit Act 1983*, shifting focus from process to performance.

TARGETS

REFORM REVENUE

- Maintain the share of state revenue to GSP, excluding any variations in tax rates and Commonwealth policy
- Reduce the volatility of taxes

IMPROVE PUBLIC TRADING ENTERPRISES PERFORMANCE

PRIORITY ACTIONS

By ensuring that state revenue grows in line with Gross State Product the Government will minimise the distorting impacts of taxes on the rest of the economy. Reducing the reliance on less efficient taxes would also support state economic growth and sound fiscal planning. The key action to deliver this target:

- Refocus taxes towards more efficient and less volatile taxes.

Public Trading Enterprises (PTE) are valuable public assets representing a significant public investment and providing essential economic services. Actions to achieve this target include:

- Improve processes for the merit-based appointment of Board members to State Owned Corporations to achieve a better mix of skills and experience
- Increase public reporting of shareholder assessments of the performance of State Owned Corporations to improve transparency and accountability
- Benchmark and monitor each State Owned Corporation against comparators and against regulated allowances:
 - establish and achieve benchmark returns
 - establish return on assets and return on invested capital targets
 - establish valuation models for each commercial PTE
 - establish commercially appropriate capital structures that are comparable with industry peers.

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GOAL 3 DRIVE ECONOMIC GROWTH IN REGIONAL NSW

We will work with regional communities, businesses and local government to achieve steady and strategic growth in our regions, with new investment in priority regional infrastructure, effective incentives to grow enterprises and job opportunities, a combination of public and private decentralisation, and improved services where people need them. We need to balance population growth between regional and metropolitan areas so all people have access to the economic and lifestyle opportunities of our State.

ACCOUNTABILITY

Minister for Trade & Investment,
Minister for Regional Infrastructure
& Services

TARGETS

INCREASE THE SHARE OF JOBS IN REGIONAL NSW

PRIORITY ACTIONS

Our strategy is to encourage decentralisation – steady and strategic growth in our regions. This will require a focus on regional infrastructure and job creation. Actions to support job growth in regional NSW include:

- Deliver the *Jobs Action Plan* to assist business investment and growth to target 40,000 new jobs in regional NSW
- Develop *Regional Action Plans* which harness business opportunities and address impediments to growth in each region
- Invest in regional infrastructure with 30% of the *Restart NSW* fund earmarked for regional NSW and tackle the backlog in local government infrastructure projects
- Support regional business growth through tailored programs and local facilitation services. Work with Regional Development Australia committees and the Commonwealth Government to promote regional industry opportunities
- Implement *Resources for Regions* policy, with Infrastructure NSW administering up to \$160 million for infrastructure programs such as road repairs for affected mining communities.

INCREASE THE POPULATION IN REGIONAL NSW BY 470,000 BY 2036

Our strategy to increase the population in regional NSW will support balanced population growth across the State, invigorating regional economies and relieving congestion pressures within Sydney. Actions to deliver this target include:

- Implement the \$7,000 *Regional Relocation Grants* to encourage population and economic growth in regional NSW
- Market job opportunities and the benefits of regions as a location for business, skilled workers and families in partnership with local councils and Regional Development Australia committees
- Maximise opportunities to decentralise government services and work strategically including with local government, to support regional economic development objectives
- Work in partnership with local government, communities and the private sector to leverage the *Revitalising Our Regions* Crown land program to deliver economic and social outcomes in regional NSW.

TARGETS

PROTECT STRATEGIC AGRICULTURAL LAND AND IMPROVE AGRICULTURAL PRODUCTIVITY

- Strategic land use plans completed within set timeframes
- Improved productivity on NSW farms

PRIORITY ACTIONS

Future economic growth in regional NSW will require balancing development with the sustainable management of natural resources. Growth needs to be better planned to give businesses and the community increased confidence about what the future holds. Actions to deliver these targets include:

- Develop *Strategic Regional Land Use Plans* by 2014. These Plans will be prepared on a regional basis and will introduce a tailored approach to the specific needs, challenges and opportunities of each region and address land use conflicts. These plans will provide local communities with far greater certainty about how their areas manage future change
- Map strategic agricultural lands and develop agricultural industry sector strategic plans
- Finalise the *Aquifer Interference policy* and regulation to provide guidance on acceptable mining impacts to protect water resources
- Deliver research, development and education programs to:
 - improve water efficiency, reduce greenhouse gas emissions and reduce the impact of agriculture on the environment and natural resources
 - improve productivity to make agriculture industries resilient to climate variability and responsive to international markets and policies
- Reduce the impact of noxious weeds to restore and enhance productivity of prime agricultural land through the delivery of weed control grants and support for additional research and development.

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GOAL 4 INCREASE THE COMPETITIVENESS OF DOING BUSINESS IN NSW

The Government recognises that NSW competes nationally and internationally for business investment and economic opportunities. In order to make NSW Australia's first place to do business, we must ensure NSW offers a compelling choice as a location for investment and employment growth. We recognise there are a wide range of factors that affect investment choices and that NSW must offer a competitive tax system, streamlined regulatory frameworks, a better planning system and a skilled workforce. The Government will also increase opportunities for investment and growth through innovation.

ACCOUNTABILITY
Minister for Trade & Investment,
Minister for Regional Infrastructure
& Services

TARGETS

INCREASE BUSINESS CONFIDENCE

PRIORITY ACTIONS

Increased business confidence will encourage business and grow investment in NSW. Actions to support this target include:

- Implement a payroll tax rebate of \$4,000 per full time employee for the first 100,000 new payroll tax paying jobs created in NSW
- Pay all bills from suppliers to Government involving contracts of up to \$1 million within 30 days
- Review and simplify Government tendering processes and publish purchasing performance
- Implement the new national Occupational Health and Safety framework.

REDUCE RED TAPE

- Reduce red tape for businesses and the community by 20% by June 2015
- Improve development approval and plan making processes
- Reduce Federal/State duplication of environmental regulations to streamline approvals to boost the State's economy while protecting the environment

The Government's policy is to reduce regulatory costs and cut red tape for businesses and the community. Actions to deliver on these targets include:

- Set targets for red tape reduction for all NSW Government agencies and include a requirement in Director General contracts for reporting against the target
- Require that the number of principal Acts and principal Regulations repealed by Government in a calendar year will be at least twice the number of new principal legislative instruments introduced (i.e. a 'one on, two off' policy for new regulations)
- Ensure average Gateway determination times are less than 30 days and improve local environmental plan preparation times
- Increase the number of developments that are approved without the need for detailed assessment (lengthy merit assessment), by:
 - expanding the types of development covered as 'complying development'
 - further promoting 'complying development'
- Eliminate the need for dual State/Commonwealth threatened species approvals by aligning and streamlining legislation and processes
- Develop a common set of offsetting principles and align offsetting practices.

INCREASE BUSINESS INNOVATION

- Grow knowledge industries

By supporting innovation in growth sectors we will foster and create opportunities, ensuring NSW capitalises on our competitive advantages. Actions to support this target include:

- Work with the NSW Innovation Council to support and grow innovation within NSW. The Innovation Council will provide advice to Government on improving innovation within the private sector
- Support high performing businesses to innovate to further enhance productivity through *Industry Action Plans*. The plans will identify innovation drivers and barriers within key sectors (professional services, manufacturing, digital economy, tourism and events, and education and research).

GOAL 5 PLACE DOWNWARD PRESSURE ON THE COST OF LIVING

We recognise that many families are facing increasing cost of living pressures, which are placing additional stress on already stretched family budgets. Our goal is to reduce the pressure on household budgets where possible by providing support to people in need and dealing with the underlying causes of rising household costs. We will increase the supply of land for housing and provide incentives to help make housing in NSW more affordable and housing stock more appropriate for people's needs. We will place as much downward pressure as possible on household electricity bills through greater energy efficiency and more cost-effective energy supply.

ACCOUNTABILITY
Minister for Finance & Services

TARGETS

IMPROVE HOUSING AFFORDABILITY AND AVAILABILITY

- Facilitate the delivery of 25,000 new dwellings in Sydney per year
- Increase the available green field 'zoned and trunk serviced' lots to always be above 50,000
- Increase uptake of 'empty nester' opportunities

CONTAIN ELECTRICITY COSTS THROUGH EFFICIENT ENERGY USE

- Assist business and households to realise annual energy savings of 16,000 GWh by 2020 compared to 'business as usual' trends
- Support 220,000 low income households to reduce energy use by up to 20% by June 2014

PRIORITY ACTIONS

NSW households spend the greatest proportion of their household budget on rent or housing repayments. NSW's population is expected to grow to over nine million by 2036 – an increase of 2.25 million people, with around three quarters expected to live in Sydney. We will increase the supply of available land for housing to help reduce the costs of home ownership. Actions to achieve these targets include:

- Accelerate land release of 10,000 blocks by Landcom over four years to make it easier for home buyers to afford a home
- Continue to set dwelling targets for local councils outlined in subregional strategies
- Partner with local councils to ensure that targets for housing and growth and the priorities within the subregional plans and regional plans are reflected in relevant planning proposals and in local planning instruments (local environmental plans)
- Provide regular forecasts of future dwelling production to infrastructure funders and providers to inform servicing, asset management and financial planning and delivery
- Establish a real-time reporting system and annual reporting on land supply and housing completion in relation to benchmarks and projected dwelling demand to inform Government actions required to facilitate desired stock levels
- Prepare a *Growth Management Strategy* that will involve stakeholders and the property industry to ensure the rezoning, provision of infrastructure and release of land is timely and economically feasible
- Extend stamp duty concessions to 'empty nesters' over 55 years old who sell an existing home and purchase a newly constructed dwelling worth up to \$600,000
- Simplify and clarify the *Home Building Act* to minimise administrative burdens and costs relating to residential building work and to ensure a more efficient market.

Electricity prices for consumers are set by IPART, but more efficient use of energy is important so we can help households and businesses manage their electricity bills. Actions to deliver on these targets include:

- Support low income households to reduce energy use through the *Power Savings Kit* and advice on behaviour change
- Deliver high standard building retrofit programs so that 50% of NSW commercial floor space achieves a 4-star *NABERS* energy and water rating by 2020.

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GOAL 6 STRENGTHEN THE NSW SKILL BASE

It is critical that NSW has an educated and skilled workforce to drive a productive and growing economy. More than ever, it is important we find ways to work collaboratively across government, industry and tertiary sectors to develop a skill base that meets the current and future needs of NSW businesses. The delivery of high quality, accessible and relevant training will support workforce participation and the growth of industry and business.

ACCOUNTABILITY
Minister for Education

TARGETS

MORE PEOPLE GAIN HIGHER LEVEL TERTIARY QUALIFICATIONS

- 50% increase in the proportion of people between the ages of 20 and 64 with qualifications at AQF Certificate III and above by 2020
- 100% increase in the number of completions in higher level qualifications at Diploma level and above by 2020
- 20% increase in the number of completions in higher level VET qualifications at AQF Certificate III and above by women by 2020
- 20% increase in the number of completions in higher level VET qualifications at AQF Certificate III and above by students in rural and regional NSW by 2020
- 20% increase in the number of completions in higher level VET qualifications at AQF Certificate III and above by Aboriginal students by 2020
- 44% of 25–34 year olds hold a bachelor level qualification or above by 2025
- 20% of undergraduate enrolments are students from low socio-economic status backgrounds by 2020

PRIORITY ACTIONS

We have set tertiary qualification targets that will make sure NSW has the most highly skilled workforce in the country. We want to make sure all members of our community have access to high quality training so they can fully participate in the workforce. Actions to achieve these targets include:

- Work with key industry sectors to identify skills shortages, develop specialised training programs and prioritise the delivery of training to support high growth industries and occupations with strong job prospects
- Provide personalised learning solutions, flexible training options, career counselling, and language, literacy and numeracy support to help people achieve higher level qualifications
- Develop customised programs for Aboriginal students, including leadership courses, family education courses, and courses in entrepreneurial and small business skills, which will help build community capacity and enhance employment outcomes
- Develop effective pathways into higher education by working with businesses, schools, vocational education and training and higher education providers
- Establish more effective consultative mechanisms with the Commonwealth, industry and the tertiary sector to improve skills and qualification levels across the NSW workforce
- Provide training options for retrenched workers in regional and rural areas
- Provide targeted training in areas of employment growth for students in regional and rural areas, Aboriginal people and women
- Increase university enrolments and attainment through improved links between schools, vocational education providers and universities, especially those serving low socio-economic communities and regional NSW.

TARGETS

MORE YOUNG PEOPLE PARTICIPATE IN POST SCHOOL EDUCATION AND TRAINING

- 90% of young people who have left school are participating in further education and training or employment by 2020
- 10% increase in the number of apprenticeship and traineeship completions by 2016, including in rural and regional NSW

PRIORITY ACTIONS

We want young people in NSW to make a successful transition from school to further education, training and employment. Actions to achieve these targets include:

- Increase the number of apprenticeships completed through competency-based assessment, shorter term apprenticeships and credits towards an apprenticeship or traineeship where lower level vocational training has already been completed
- Work with industry to review the current length of apprenticeships and reduce terms where appropriate
- Support the raised school leaving age by:
 - expanding access to *Structured Workplace Learning* providing vocational training while at school to students in Years 9 and 10
 - providing targeted support for youth at risk of disengagement including mentoring and engagement with Commonwealth-funded *Partnership Brokers* and *Youth Connections* providers and Independent Employment Advisers who provide real life industry-grounded support for young people
- Fund pre-apprenticeship and pre-traineeship training to help young people begin and complete higher-level training and secure skilled job opportunities.