

HALF-YEARLY REVIEW 2024-25

Media Release

Wednesday, 18 December 2024

The NSW Government has released its Half-Yearly Review showing a result broadly in line with Budget expectations.

A deterioration in the 2024-25 Budget result is offset by improvements in the budget result across the forward estimates.

The Government's fiscal strategy is maintaining expense growth at an average annual rate of 1.8 per cent, in line with the Budget but well below the 9.7 per cent expense growth occurring 2018-19 and 2022-23.

	2024-25	2025-26	2026-27	2027-28	Total
Variance in Budget result	-\$1,350m	\$271m	\$628m	\$211m	-\$240m

The 2024-25 Budget result is driven by known risk pressures, primarily:

- A \$995.1 million increase in expenses from insurance and compensation scheme valuations
- A \$453.6 million increase in interest expenses due to movements in projected bond yields and borrowings, as the Government refinances COVID-19 debt at higher interest rates
- A \$458.6 million decline in state taxation revenue in 2024-25 (before increasing in later years), and
- A \$440.8 million reduction in revenue from Sydney Water due to a reporting error.

The 2027-28 deficit is now projected to be \$1.3 billion, down from \$1.5 billion at the 2024-25 Budget.

A \$6.6 billion public sector wages investment is accounted for by offsets and productivity gains, creating no additional debt.

Total revenue is expected to increase by \$6 billion over the Budget and forward estimates, largely driven by upgrades to Commonwealth payments, GST revenue and payroll tax.

Disaster recovery funding comprises a significant portion of the Commonwealth grants upgrades.

A \$2.5 billion increase to GST revenue over four years reflects a larger GST pool, updated state budget data and a revised forecasting methodology.

Revenue increases in 2024-25 are partially offset by reduced transfer duty, which is revised down by \$391.7 million for the year, but up by \$428.9 million over the four years to 2027-28.

The Half-Yearly Review shows that the Minns Labor Government's commitment to a responsible fiscal approach is yielding results for the people of NSW.

The 2024 Half Yearly Review can be found [here](#).

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