



The Hon Barry O'Farrell MP

Premier of NSW

MEDIA RELEASE

Tuesday 29 March 2011

ELECTION PROMISES WILL BE HONOURED

Premier Barry O'Farrell said today that he would honour all election commitments despite the deterioration in the State's finances.

Mr O'Farrell and the Deputy Premier Andrew Stoner were briefed by the Head of the Premier's Department and the Secretary of the NSW Treasury yesterday.

"The briefing showed there has been a \$4.5 billion deterioration in the Budget since the half year review published by Treasury last December," Mr O'Farrell said.

"Most of the decline was due to poor economic growth with GST and other tax revenues expected to fall substantially over the next four years," he said.

"A full audit of the State's finances will be undertaken, headed by a former Treasury Secretary, Michael Lambert.

"Regardless of the outcome of that audit, we will deliver all our election commitments.

"The former Labor Government has cooked the books like never before and I am angry at their level of deception and incompetence.

"But I give this pledge – we will still deliver on all our commitments.

"I have signed a contract to the people of NSW to honour our promises – and that contract will be met.

"That's why we outlined over \$4 billion of savings during the election campaign to take the tough but responsible decisions to ensure our commitments would be met.

"The best way to improve the finances is by improving the economy.

"My Government will do all it can to promote jobs and reduce taxes to get the economy moving again," Mr O'Farrell said.

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Budget Result Estimates

	2010-11	2011-12	2012-13	2013-14	2014-15
Half Yearly Review	167	176	432	129	NA
Latest Estimate	365	204	-405	-1,193	-2,339
Variation	198	28	-837	-1,332	NA

Between 2012-13 and 2014-15, there is a \$4.5 billion deterioration in the budget compared with the Half Yearly Review.

Key revenue revisions:

- GST reduced by \$678m between 2011-12 and 2013-14
- Stamp duty reduced by \$520m between 2011-12 and 2013-14
- Payroll tax reduced by \$232m between 2011-12 and 2013-14
- Dividends and financial distributions reduced by \$917m between 2011-12 and 2013-14

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