



Budget shows construction vital to health of NSW

23 June 2026

The NSW 2026/27 Budget highlights that construction and construction capacity is essential to the health of the NSW economy for the foreseeable future.

Matthew Pollock, Executive Director of Master Builders NSW said that, “Increasing construction activity will be vital to stimulating the economic growth needed to arrest the decline in the state’s budget position. It will also be critical to support the path back to surplus.

“Construction industry capacity will be vital to ensuring that the data centre pipeline needed to make NSW a leader in AI driven innovation and a magnet for investment can be achieved alongside the social and transport infrastructure required to boost growth and living standards and the new housing needed to tackle the housing crisis.

“The Budget has good news on the housing front highlighting the positive impact of the Minns Government’s reforms to speed up building approvals and get more new housing out of the ground. Dwelling investment has increased in the March quarter 2026 and approvals and commencements increased over the course of 2025. Over the year to December quarter 2025 new housing commencements increased by 53%. Meanwhile dwelling approvals in the 12 months to April 2026 have risen by 13% compared to the prior 12 months,

“Master Builders NSW welcomes the Budget’s investment in infrastructure and housing enabling works. The substantial infrastructure program and planned investment in modern methods of construction are welcome news to builders,

“We look forward to working with the government and our industry to identify the best way forward to boost production and construction of prefab housing and other Modern Method of Construction (MMC),

“Nevertheless, the State’s economic future remains vulnerable. Economic forecasts have been significantly downgraded since the 2025/26 Half-Yearly Review. A return to surplus has now been pushed back to 2027/28 and forecast growth in the NSW economy has been reduced to 1% in both 2026/27 and 2027/28,

“The NSW Government must work with the building and construction industry to strengthen the State’s economic performance by increasing housing supply, supporting infrastructure delivery and ensuring a pipeline of workers,

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“The \$116.7 billion in infrastructure program over four years has been indicated to equate to expenditure of around \$82.7 million per day. Notable investments include:

- \$11.9 billion for health infrastructure over four years, including funding 32 new and upgraded hospitals
- \$9.2 billion for more than 260 new and upgraded schools;
- \$6.5 billion over four years in Western Sydney Roads
- \$5.2 billion to build the water infrastructure that supports new housing across western Sydney;
- \$2.4 billion for Parramatta Light Rail Stage 2.

“Industry is also pleased that the Minns Government will contribute to the generation of 6,970 regional jobs in construction as a result of its support for \$77 billion of private investment in renewable energy,

“We look forward to working closely with government to establish a Modern Methods of Construction (MMC) manufacturing facility to accelerate the delivery of homes and improve sustainability. Industry collaboration will be critical to ensure that this initiative delivers a meaningful outcome,

“Further positive contributions to industry include \$3.4 billion for skills and TAFE, including \$233.2 million to upgrade TAFE campuses. Master Builders NSW commends the NSW Government for this investment. Measures supporting apprentices will help build the pipeline of skilled workers needed for the future,

“It is nevertheless clear that the NSW Budget acknowledges the challenges faced by the State with weaker growth forecast in future years. Construction will play a crucial role in supporting the fortunes of the NSW economy and getting the Budget back to surplus.

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