



NEW SOUTH WALES

TREASURER

Cutting payroll tax has merit – that’s why the Rees Government is already doing it from January 1 this year and indexed the payroll threshold from July 1 last year.

But it’s not a temporary measure – it’s permanent and fully funded. That means that unlike the Opposition’s proposal we won’t be taking it away just as the economy needs it most and when retaining it would most jeopardise NSW AAA credit rating.

The Rees Government is also interested in measures to support the more than 90 per cent of businesses in New South Wales which don’t pay payroll tax, but support a large proportion of the workforce.

Public spending will need to be part of the global economic recovery effort and NSW is doing its share by balancing public spending with responsible debt that is funding a record expenditure of \$57 billion on infrastructure.

Successive cuts to workers compensation premiums, bringing forward \$220 million of spending on public housing, reductions to building levies by up to \$64,000 per lot, increases to first-home buyer grants, increases to public spending on transport and education, and sustainable cuts to payroll tax – real, financially responsible initiatives from the Rees Government.

As a one-off policy response, a temporary payroll tax cut may make for a one-day sound-byte, but it’s a lightweight response from the sidelines to the realities of the current economic situation.

The Hon Eric Roozendaal
NSW Treasurer