



New South Wales

## T R E A S U R E R

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### MEDIA RELEASE

# National economic update shows State and Federal stimulus packages protect jobs and the economy

NSW Treasurer Eric Roozendaal today welcomed the release of the latest national economic update – a clear sign Federal and State stimulus packages have protected jobs and the economy.

The Federal economic data is in line with audited 2008-09 NSW Budget results released last Thursday showing an improvement in the NSW economy.

“The green shoots of economic recovery are growing in both the State and national economies,” Mr Roozendaal said.

Mr Roozendaal said the NSW Government remained committed to its \$62.9 billion infrastructure building program over the next four years, which will support up to 160,000 jobs.

Mr Roozendaal said the latest data was a clear sign that repeated calls by the State and Federal Coalition parties to withdraw stimulus packages were misguided and reckless.

“Today’s figures show that the calls from Barry O’Farrell and Malcolm Turnbull to stop the stimulus would have been disastrous for both the national and State economies,” Mr Roozendaal said.

“Mr O’Farrell just continues to talk down the economy despite every major economy and global economic institution supporting the use of stimulus measures.

“The NSW Government is delivering our infrastructure stimulus package as fast as we possibly can.”

Latest forecasts released by Federal Treasurer Wayne Swan today shows the Commonwealth Treasury expects the Australian economy will grow by 1½ per cent in 2009-10 and 2¾ per cent in 2010-11.

The national unemployment rate is forecast to peak at 6¾ per cent in the June quarter 2010.

Mr Swan reports: “If not for the direct impact of the fiscal stimulus, Australia would have experienced a technical recession and the economy would have gone without growth for two consecutive years, in both 2008-09 and 2009-10.”

Mr Roozendaal said the NSW Government this year delivered a solid Budget which reaffirmed the State’s AAA credit rating.

Over the next four years the NSW Government will invest \$62.9 billion in the biggest infrastructure building program in NSW history, supporting up to 160,000 jobs a year.

This financial year alone, the NSW Government's investment in infrastructure is \$18 billion – 31.4 per cent higher than last year.

Key recent economic indicators for NSW include:

- NSW improved its Budget position in the height of the global recession, with a better-than-expected \$897 million audited deficit for 2008-09, due in part to an improvement in the NSW housing sector;
- More than 1000 new dwellings worth more than \$445 million have been sold in NSW under the Housing Construction Acceleration Plan – a State economic stimulus measure. The 50 per cent stamp duty cut on newly-constructed dwellings worth up to \$600,000 has put \$7.8 million worth of stamp duty back into people's pockets and stimulated \$445 million worth of job-supporting construction activity – helping provide jobs for builders, plumbers architects and more;
- The NSW unemployment rate is 5.6 per cent, the second-lowest rate among states, and below the national average;
- NSW retail sales have also grown by 9.5 per cent since the worst days of the global financial crisis. That's 2 per cent higher than the next best state, Victoria; 3.8 per cent higher than Queensland; and 6.3 per cent higher than Western Australia;
- Business confidence jumped to a seven-year high in the September quarter, according to the National Australia Bank's monthly survey of business confidence;
- The NSW Government remains committed to cutting payroll tax. Payroll tax was cut in January 2009 to 5.75 per cent and will be cut again on January 1, 2010 to 5.65 per cent. More than 90 per cent of NSW businesses do not pay any payroll tax.

The 2010-11 NSW Budget will be delivered in early June 2010.