



New South Wales

## T R E A S U R E R

### MEDIA RELEASE

# Treasurer Roozendaal: 29% jump in NSW property sales – “green shoots”

The NSW economy continues to show strong signs of recovery – led by the State’s property sector, Treasurer Eric Roozendaal will tell business leaders this morning (November 4).

Mr Roozendaal will tell the NSW Business Chamber’s Economic Forum that the number of all property and land sales in NSW has increased 29.4 per cent in the September 2009 quarter compared to the same time last year

“The green shoots of recovery in the NSW economy are starting to grow,” Mr Roozendaal said.

**In the September quarter, there were 11,863 more property transactions than the same period last year, up 29.4 per cent:**

|                            | <b>Sept Quarter<br/>2008</b> | <b>Sept Quarter<br/>2009</b> | <b>% change</b>        |
|----------------------------|------------------------------|------------------------------|------------------------|
| <b>Number transactions</b> | 40,324                       | 52,187                       | 29.4 per cent increase |
| <b>Duty received</b>       | \$710.3m                     | \$789.9m                     | 11.2 per cent increase |

Mr Roozendaal said the NSW economy is doing better than expected despite the global recession.

“To date, the NSW economy has performed better than expected through the global recession,” Mr Roozendaal told business leaders.

“NSW State final demand grew by 1.8 per cent in 2008-09 (1.0 per cent forecast at Budget-time), supported by growth in consumer spending, business investment and strong growth in public infrastructure spending.”

Mr Roozendaal told the forum that:

- NSW retail sales have grown stronger than any other state since September 2008;
- Consumer and business confidence has returned to well above average levels in recent months; and
- Employment has been increasing in trend terms since April 2009.

Mr Roozendaal said the release of the latest national economic update earlier this week was 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.

Latest forecasts show 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.

The Commonwealth's stronger economic forecasts have led them to revise up GST estimates over the four years to 2012-13 by around \$5.6 billion compared to their budget time estimates.

This should flow through to New South Wales GST, with an increase of around \$290 million estimated in 2009-10.

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

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