



**PAYROLL TAX CUTS TIMETABLE NEEDED TO BE FAST-TRACKED TO HELP STIMULATE EMPLOYMENT IN NSW, SAYS PITCHER PARTNERS**

The priority of the 2009/10 NSW Budget is to support and invest in jobs so it is surprising that the Government hasn't fast-tracked the payroll tax cuts timetable which would have assisted this push for jobs growth, said Pitcher Partners partner Brendan Jones.

“Despite the fact that NSW is in recession and has the highest unemployment level (6.4%) in the country, there have been no payroll tax cuts in today's Budget and no changes to the timetable for implementation of cuts announced in last year's Budget.

“It was hoped that introduction of payroll tax cuts may have fast-tracked to help stimulate employment in the NSW economy. The payroll tax rate is currently 5.75% and as announced last year will drop to 5.65% from 1 January 2010 and then to 5.50% from 1 January 2011. It would have been good to see the payroll tax rate of 5.50% effective much sooner. The payroll tax threshold will increase as a result of indexation to \$638,000 from 1 July 2009.

“Instead, the State Government is pinning its hopes on the fact that employment will be adequately stimulated as a result of capital infrastructure projects totalling \$18 billion in the 2009/10 year (\$62 billion over the next 4 years). The question is whether these projects will have enough of an immediate effect on employment, or whether they are more of a medium- to long-term initiative,” he said.

Mr Jones said the 2009/10 NSW Budget does little to improve the record low level of business confidence in the current recessionary climate in NSW.

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*Pitcher Partners is an association of independent firms. It is also an independent member of Baker Tilly International.*

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