



The Hon Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

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100,000 EXTRA JOBS TO KICK-START THE NSW ECONOMY

The NSW Government will this week introduce legislation to slash payroll tax as part of a campaign to create up to 100,000 extra jobs, NSW Premier Barry O'Farrell said today.

Treasurer Mike Baird and Finance and Services Minister Greg Pearce will this week introduce legislation to deliver on the NSW Government's election commitment to offer a payroll tax rebate of \$4,000 to businesses.

The rebate is equivalent to the annual payroll tax bill for one employee on the average wage and will be paid in two parts, at 12 months and 24 months after the employee is hired.

"I am appalled at the latest employment figures which showed that NSW is shedding jobs at a rate of more than 100 a day," Mr O'Farrell said.

"The decline in jobs is no surprise because the previous Labor Government had created a climate where there was no incentive to do business in NSW.

"We are determined to not only end the slump but create an extra 100,000 jobs for people across the State.

"That means jobs for young people, jobs in factories and jobs in manufacturing so we can get this State moving again.

"NSW has been a basket case when it comes to employment.

"Businesses have fled to other States, particularly Victoria, because Labor spent 16 years giving them no reason to operate out of NSW."

Mr Pearce said the rebate will give businesses the incentive to employ new workers.

"Under our *Jobs Action Plan* businesses that increase employment levels will not pay any payroll tax on the additional employees for their first year of employment," Mr Pearce said.

"To qualify for the rebate, the job must be a genuinely new position - defined as an increase in employee numbers over and above the highest number of NSW

employees at the company over the last 12 months. The wages of the new position must be liable for payroll tax in NSW.”

Mr Baird said the rebate marked the beginning of a journey towards making NSW the first place to do business.

“Over the past decade NSW has suffered the lowest jobs growth of any Australian State. If NSW jobs growth had matched Victoria under the 16 years of Labor, we would have seen an additional 193,000 jobs in this State.

“The NSW Government believes that lower taxes will be central to this and the payroll tax rebate will give employers greater confidence to accelerate the expansion of their business and their workforce.

“We are determined to create more jobs in NSW and the payroll tax rebate will not only encourage employment, but more importantly, it will promote the creation of long term sustainable jobs for the people of NSW.

“The creation of 100,000 new payroll tax paying jobs for NSW will translate to a rise in economic activity of up to \$3.6 billion and will assist with restoring confidence to the NSW economy.”

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