

22 June 2021

A BUDGET TO GUIDE NSW BACK ON TRACK

A reduced Budget deficit, solid economic management, and a strong commitment to infrastructure spending through the COVID recovery highlight this year's NSW Budget, according to the state's peak business organisation, **Business NSW**.

The Treasurer has announced a deficit of \$7.9 billion for the current year, less than half the \$16 billion forecast in November. This transforms into a forecast surplus of \$466 million by 2024/25.

"This Budget shows that strong financial management continues to position NSW as the powerhouse of the Australian economy as we emerge from this once-in-a-lifetime pandemic," said **Business NSW** Chief Executive Daniel Hunter.

"Strong stamp duty receipts through property transactions have meant as a state, we are in a good position to recover strongly, however the uncertainty over the re-opening of international borders, and the loss of skilled migrants and international students has the potential to have a chilling impact on future prosperity," Mr Hunter said.

"It's why **Business NSW** will continue its calls for a roadmap and timetable for the borders to open and stress the need for people to get vaccinated as quickly as possible. A commitment from the State Government of more than \$260 million for vaccine distribution supports this important community measure.

"Our economic recovery cannot be fully optimised until international travelers can return to Sydney.

"This time last year **Business NSW** released our economic blueprint for recovery, *Back on Track* and it is good to see the Government has embraced many of those core initiatives, however a reduction TAFE funding, at a time of an unprecedented skills shortage across many industry sectors, is disappointing.

"From a business perspective, it is pleasing to see previously committed to extensions to the Payroll Tax threshold and rate of taxation have been confirmed. A tax on job creation and retention is the last thing business owners need during these difficult times.

"Small businesses who don't currently pay payroll tax are still able to benefit by accessing grants and rebates of up to \$1500.

"A further commitment of more than half a billion dollars to a Digital Restart Fund will ensure the move from paper to electronic transactions continues at a rapid pace and the State continues to lead the nation when it comes to the digital economy.

“Infrastructure spending is a key highlight of any State Budget – more than \$100 billion over the next four years has been committed which will turbo charge job creation and make NSW the premier destination to live and work.

“More than \$1 billion has been set aside towards creating Sydney’s next city – Bradfield, around the site of Western Sydney’s airport which will be a transformational project and change the way our city lives and works.

“It’s also why Parramatta Light Rail Stage 2 is such an important piece of our transport puzzle. The commitment of more than \$50 million over the next three years for planning and development will be welcome news to the community in Western Sydney.

“Securing high demand events for Sydney and regional NSW will bring much needed spending to support the visitor economy – a four-year commitment to a State Significant Event Fund of \$200 million is a welcome initiative.

“Just like the recent Federal Budget, this is an economic blueprint for the extraordinary times we as a community are facing in NSW. Strong economic management and discipline has meant the state is leading the nation through the toughest economic conditions in a generation,” Mr Hunter said.

About Business NSW

Formerly the NSW Business Chamber, *Business NSW* is the peak policy and advocacy body which has been representing businesses in NSW since 1826.

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