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## **STATE'S BUSINESSES DESERVE A BETTER DEAL FROM GST CARVE UP**

NSW business owners are working harder and longer for less because of an unfair GST deal that is short-changing our state.

That's the view of Business NSW, the state's peak business group, which is joining a collective call to get a better share for NSW.

Business NSW CEO Daniel Hunter said an unfair Federal Government deal struck in 2018 means NSW is being shortchanged by tens of billions of dollars over the course of the decade.

"A fairer distribution of GST would mean the NSW Government could help the state's people and businesses in a very real way, including better funding for frontline services and removal of costly taxes and red tape," Mr Hunter said.

"More GST revenue would give the NSW Government scope to slash the payroll tax rate to below 5 per cent and lift the threshold above \$1.2 million.

"If the payroll tax threshold had been adjusted for inflation since 2020, it would be around \$1.5 million. Every year about 1200 new businesses are added to the 40,000-plus businesses that are sluggish this inefficient tax.

"Given cumulative inflation of about 30 per cent over the past five years, linking the payroll tax threshold to inflationary trends would offer a fairer and more sustainable approach.

"The government could also remove the emergency services levy, which adds 34 per cent more to general insurance premiums compared to other states."

The unfair GST deal impacts every single person in NSW with the services they receive and the taxes they pay.

An independent Productivity Commission report has found changes made to the GST system in 2018 are not equitable or consistent across the states. NSW Treasury analysis

reveals a \$28.8 billion cost to the Australian Government of the 2018 changes between 2018-19 and 2025-26.

Business NSW recommends that the Federal Treasurer work with the Council of Federal Financial Relations to reform payroll tax, GST and income tax to create a better environment for dynamism and growth.

Central Coast business owner Laura Prael from [LEP Digital](#), said NSW needs its fair share.

“I started my business in 2015 because I wanted to create something of my own and create opportunities for other people,” Ms Prael, a [Business NSW member](#), said.

“Today, we employ 11 people, and I want to keep growing and creating more jobs.

“I want to see NSW get a fairer share of the GST so we can better support the businesses that create jobs.

“As a business owner, I know the cost of employing people can be a real barrier to growth.

“Every time I think about expanding, I have to weigh up wages, insurance, energy bills and all the other costs that come with running a business.

“A fairer share of GST would give NSW more capacity to reduce costs like payroll tax, invest in infrastructure and make it easier to do business.

“For me, that could mean the difference between hiring another employee and putting that decision on hold.”

### **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. We represent almost 50,000 businesses.

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