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BUDGET IS FISCALLY RESPONSIBLE BUT BUSINESS NEEDS A BOOST

The state's peak business body says today's NSW budget, while fiscally responsible, has missed an opportunity to boost business confidence.

Business NSW CEO Daniel Hunter said confidence was at record lows and business conditions continued to deteriorate.

While Business NSW welcomed signs of fiscal discipline, including a smaller-than-expected deficit, this has not delivered direct relief for businesses.

While no new taxes were introduced, Mr Hunter said key business-friendly opportunities were missed, including no relief on payroll tax and no abolition of the Emergency Services Levy, and limited funding – less than \$10 million per year – for a new business advisory service (after the closure of Business Connect).

“The Government is expecting to collect an additional \$1 billion in payroll tax – or about \$25,000 per eligible business – pushing more of the tax burden onto employers at a time they can least afford it,” he said.

The announcement and funding of a new business advisory service (after the closure of Business Connect) has been welcomed, however additional funding of this service is needed.

With less than a year until the next state election, Mr Hunter said businesses will be looking for a clear signal that the NSW Government prioritises businesses.

The budget did include:

- A two-year workers' compensation premium freeze will result in 340,000 businesses avoiding a combined \$4.1 billion extra in forecast premium increases.
- Procurement gets a \$6.4 million boost for the Local Jobs First Commission which is aimed at giving SMEs better access to \$40 billion in government contracts, and
- a \$200m package to support industry and advance/domestic manufacturing capability.

In the wake of the budget and in the lead up to the March 2027 election, Business NSW is calling on the government to:

- Cut payroll tax from 5.45% to below 5% and increase the threshold above \$1.2 million
- Cut the emergency services levy which adds 23% to general business insurance premiums, and
- A stronger Business Connect 2.0 program, with funding doubled to \$20 million per year.

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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