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MODEST BUSINESS ASSISTANCE IN A HOUSING FOCUSED BUDGET

Small and medium businesses (SMEs) will be offered modest and targeted relief in the NSW State Budget, as the NSW Government focuses on housing and fiscal repair.

Business NSW CEO Daniel Hunter, head of the state's peak business organisation, says our state "has been ripped off by the Commonwealth Grants Commission's decision to send billions of our tax dollars to other states – forcing our state to tighten its belt".

Mr Hunter also welcomed the continuation of the \$325 energy rebate for small businesses and the focus on housing delivery.

However, the decision to freeze land tax indexation will mean even more commercial land holders will be captured in this wider tax net, passing on costs to businesses.

"Freezing land tax indexation is effectively a \$1.5 billion tax increase on businesses and landlords over the four years to 2027-28," Mr Hunter said.

"Housing has been Premier Chris Minns' signature policy since coming to office 453 days ago, and there is no doubt his government has made a lot of progress.

"The Transport Orientated Development Program (\$520m), funding (\$270m) to speed up the planning system and providing essential worker housing (\$655m) will be genuine game changers when it comes to getting workers housing closer to where they work and play.

"It is incredibly important that accelerated housing delivery is a bipartisan policy that transcends electoral cycles. For the sake of future generations we can't afford delays due to party politics."

Taxation is up 8.6% over the 2024-25 financial year which has more than outpaced inflation two years in a row.

The budget deficit is forecast to shrink from a revised \$9.7 billion for 2023-24 to \$3.6 billion for 2024-25. However, without a surplus in the coming years, net debt is forecast to increase from \$96.8b (11.9% of Gross State Product) in 2023-24 to \$139.5b (14.2% of GSP) in 2027-28.

“Overall, the NSW Government has resisted the temptation to ramp up spending, which would have a detrimental effect on inflation,” Mr Hunter said.

“However, the NSW Government’s decision to grant significant public service wage increases – the largest in more than a decade – has also hit the budget bottom line.”

Key measures for business:

- A \$1.5b tax increase on businesses and landlords via the NSW Government refusing to index land tax above the current \$1.075 million tax-free threshold. This is despite inflation running at about 4%.
- A further \$5m (on top of the current \$25m) for the NSW Business Bureau, which offers personalised business support and guidance.
- Extension of the Energy Bill Relief Fund for the 2024-25 year, being \$325 for eligible small businesses.
- Eraring coal fired power station to remain open for a further two years until August 2027, costing taxpayers up to \$450m.
- Roads surrounding Western Sydney Airport to get more than \$1b (\$5b for Western Sydney roads over four years).
- Construction on Parramatta Light Rail Stage 2 will begin before the next election, costing \$2b. Extra station on the West Metro and (\$447m) upgrades to the Tangara fleet.
- An additional \$50m for the Regional Development Trust, bringing this pipeline of investment across regional communities to \$400m.
- \$3.3b for restoration works to repair local and state roads damaged in major flood events.
- Casual teachers at TAFE NSW will be converted into full-time staff, costing \$83.1m over four years.
- Fee-free training for apprentices and trainees to continue (\$16.3m).
- Fee-free training for new apprentices and trainees will continue, at a cost of \$16.3m.
- HOUSING: \$11.4m for the housing pattern book design platform; \$650m for essential worker housing; \$253.7m to fund state planning improvements including the state’s planning portal; \$201.9m for housing infrastructure in Bathurst, Port Macquarie-Hastings, Shoalhaven, the Tweed Shire and Wagga Wagga; \$632m to continue delivering new and safe housing across the Northern Rivers and Central

West, including \$525m to support voluntary buybacks, repairs and retrofits through the Resilient Homes Program.

- Nightlife and live events boosted with more than \$54m for The Office of the 24-Hour Commissioner and creative industries.

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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