

Tuesday, 18 June 2019

BIG BUDGET BOOST TO NSW SMALL BUSINESSES

The 2019-20 NSW Budget is making it easier for small businesses to grow and prosper through payroll tax cuts, simplifying the process of setting up a business, offering business advisory support and paying businesses faster.

Other measures to boost the State's 760,000 small businesses will include cheaper insurance premiums and access to the Energy Switch program.

Minister for Small Business Damien Tudehope said NSW was powered by entrepreneurs and mum and dad operators who help provide local jobs and the everyday services we all rely on.

"Small businesses are the heart and soul of our economy. They make up almost 98 per cent of all businesses, employ about 1.65 million people and generate about \$55.53 billion in annual wages and salaries so we need to do whatever we can to support them," Mr Tudehope said.

In last year's budget, the NSW Government raised the payroll tax threshold from \$750,000 to \$850,000 eliminating the need for about 2,000 small businesses to pay payroll tax. The 2019-20 Budget continues to deliver on the NSW Liberals & Nationals Government's promise to further increase the tax threshold to \$900,000.

The payroll tax threshold will continue to increase each year until it reaches \$1 million in 2021-22, which will see \$881 million given back to NSW businesses in payroll tax cuts over four years with individual businesses saving up to \$13,625 a year.

Small businesses will continue to have access to professional advice from a network of trusted business advisory services with \$6.7 million allocated in the Budget while the NSW Small Business Commission will receive \$6 million to continue important advocacy work on behalf of small businesses.

To cement NSW as the best place to do business, \$48.5 million has been allocated to the Easy to do Business program which is making it easier to establish a new business through a concierge service and slashing the time and complexity taken to get approvals.

Mr Tudehope said the Budget built upon existing NSW Government initiatives that were making a real difference to small businesses such as the Faster Payments Terms Policy, which will see Government agencies pay small business bills of up to \$1 million within five working days in 2019, an Australian first.

Other key funding initiatives in the Budget include:

- \$300 million in workers compensation insurance premium discounts over three years for 280,000 employers, delivering an average discount of 8 per cent, and maximum of 12.5 per cent, for employers with the safest workplaces.
- Ensuring 760,000 small businesses can utilise the NSW Government’s popular Energy Switch program and potentially save thousands off their bill.
- Continuing to lift the payroll tax threshold progressively up to \$1 million in 2021-22, with about 38,000 businesses saving up to \$8,175 off their tax bill in 2019-20.
- Giving small businesses and tradies a head start in procurement by requiring NSW Government agencies to consider small business suppliers for everything they buy.
- Funding to support the work of the NSW Productivity Commissioner Peter Achterstraat. The Commission’s work programme for 2019-20 will continue to look for opportunities to cut red tape and reduce costs to small businesses.

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