

PAYROLL TAX — EMPLOYMENT

686. Hon COLIN TINCKNELL to the minister representing the Treasurer:

The government was elected on a mandate to restart the Western Australian economy and create jobs for Western Australians. What evidence or analysis does the government have to support the statement of the Treasurer that increasing the payroll tax for larger employers will have a “negligible impact” on employment?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question.

This measure will affect less than one per cent of Western Australian businesses and will apply for only five years. The increased payroll tax from hiring an additional employee on average wages is only 0.5 per cent of that employee’s salary for businesses with a payroll between \$100 million and \$1.5 billion, and one per cent for businesses with a payroll above \$1.5 billion. It is unlikely that this marginal increase in employee costs will lead to a reduction in employment.