

BARNETT GOVERNMENT — TAX REFORM MEASURES

40. Hon KEN TRAVERS to the Minister for Finance:

I refer to the minister's claim yesterday that he is proud of the Barnett government's achievements in tax reform. Can he name three ongoing tax reform measures introduced by the Barnett government, and what is the total value of these reforms?

Hon SIMON O'BRIEN replied:

The Barnett government is delivering many significant reforms in many significant areas. One that I wish to draw to the attention of members now relates to payroll tax. We have sought to provide relief to small business and to employers generally, even though we were faced with some difficult economic circumstances in our first couple of budgets. Measures have been put in place to provide a rebate of the past year's payroll tax to a very large number of eligible businesses this financial year. The threshold for payroll tax has not increased since about 2003. It is something that needs to be addressed and it will be addressed in future budget considerations. It was interesting to note the actions of the past government, which made sure that everyone was paying the payroll tax rate at the highest rate, which was in direct contrast to what had previously existed under the Court government.

One of the things that we have set out to do is to give attention to this area and we are delivering on that now. One of the ways that we are providing that substantial relief is by providing a full rebate this year to any payers of payroll tax if the payroll is \$1.6 million, despite the payroll tax threshold being \$750 000 per annum. Furthermore, there are further rebates above and beyond that on a sliding scale up to a payroll maximum of \$3.2 million. More needs to be done. We would like to deliver more payroll tax relief. Obviously, we have not only shown our commitment to that but also our commitment to it remains fresh. As I said in my answer to a not very targeted question yesterday, I urge the member to wait for the fruits of further budget deliberations for further announcements.

Hon Ken Travers: Minister, can you confirm whether the payroll tax rebate is for this year?

Hon SIMON O'BRIEN: Yes, it is. I said so.