

References

Source 2

Australian Chamber of Commerce and Industry 2021, Payroll Tax: A handbrake on jobs & investment — Issues paper July 2021, www.australianchamber.com.au/publications/payroll-tax-a-handbrake-on-jobs-investment-issues-paper-july-2021.

Source 3

Modified from Commonwealth Department of Treasury 2009, Australia's Future Tax System: Report to the Treasurer — Part one, https://treasury.gov.au/sites/default/files/2019-10/afts_final_report_part_1_consolidated.pdf

Source 4

Australian Chamber of Commerce and Industry 2021, *Payroll Tax: A handbrake on jobs & investment — Issues paper July 2021*, www.australianchamber.com.au/publications/payroll-tax-a-handbrake-on-jobs-investment-issues-paper-july-2021.

Source 5

Independent Pricing and Regulatory Tribunal 2008, *Review of State Taxation: Report to the Treasurer, New South Wales*, p. 57, www.ipart.nsw.gov.au/sites/default/files/documents/final_report_-_review_of_state_taxation_-_michael_seery_-_17_october_2008_-_pdf_website_document_version.pdf.

Source 6

Reference: Organisation for Economic Co-operation and Development 2020, Global Revenue Statistics Database, www.oecd.org/tax/tax-policy/global-revenue-statistics-database.htm

Source 8

Bembrick, P 2021, *Hidden risks in payroll tax*, HLB Mann Judd Advisory and Accounting, 7 December, <https://hllb.com.au/payroll-tax-the-hidden-risks-of-interstate-employees>.

External assessment 2023

Stimulus book

Economics

General instruction

- Work in this book will not be marked.



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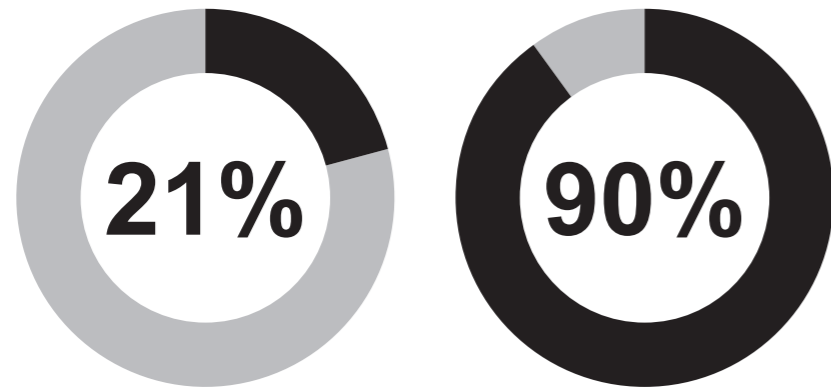
Source 1: Excerpt from article

In an era of low unemployment, payroll tax policy and its implementation across Australia are controversial.

Payroll tax, on average around 5%, is levied by states and paid by employers based on employees' salaries ...

It is the largest state and territory-levied tax, providing \$30 billion in revenue in 2022.

Source 4: Excerpt from 2021 survey of Australian businesses that pay payroll tax



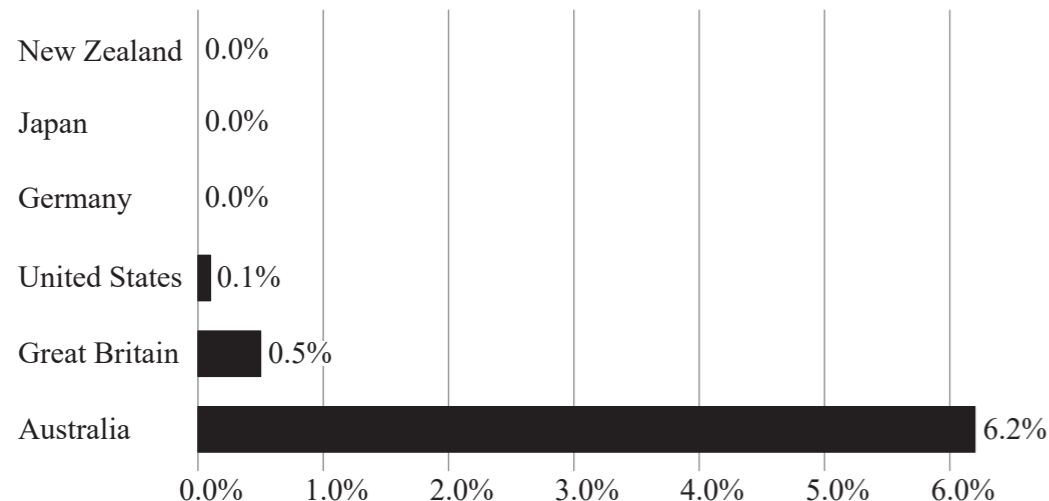
Businesses that would increase wages if payroll tax was scrapped

Businesses stating that payroll tax places them at a competitive disadvantage



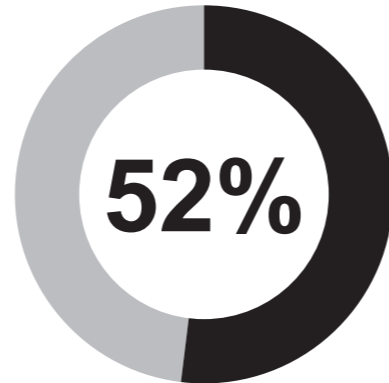
Half of businesses would employ more people without payroll tax

Source 6: Payroll tax as a percentage of taxes raised, 2022

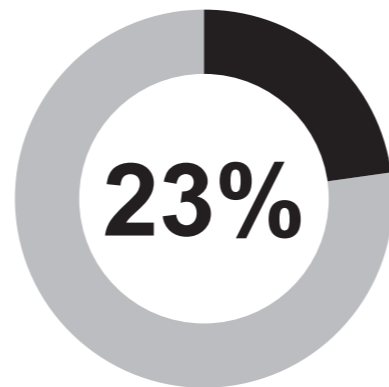


Source 2: Excerpt from 2021 survey of Australian businesses that pay payroll tax

Payroll tax is a moderate burden to the business



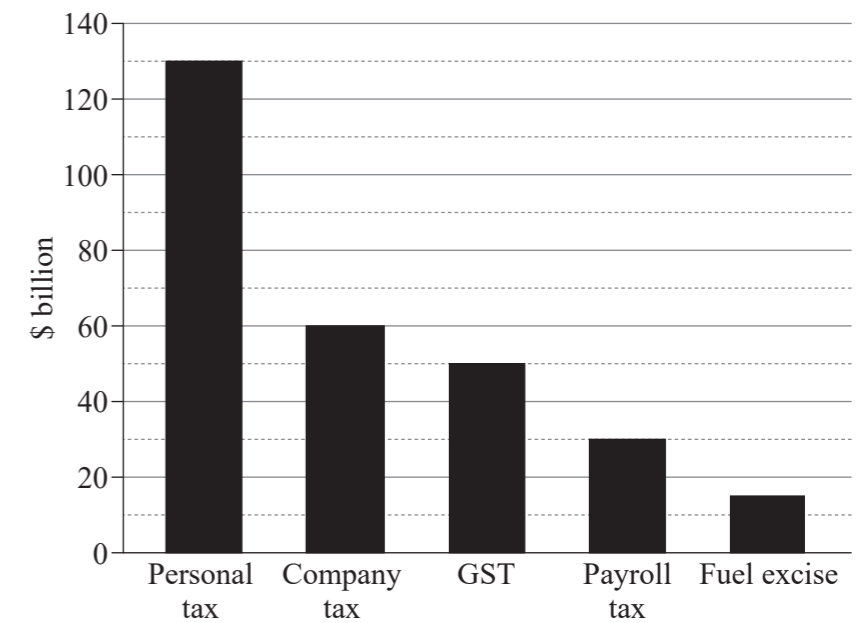
Payroll tax is a high or very high burden to the business



Source 7: Excerpt from news article, 2023

The problems associated with the deficit are increased by spending pressures during 2020–22. Spending as a share of gross domestic product (GDP) is projected to grow in terms of public investment needs, including government interest payments.

Source 3: The top five taxes paid in Australia by revenue, 2022



Source 5: Comment from industry representative

‘Some stakeholders criticise payroll tax on the grounds that it is a tax on employment and as such acts as a drag on economic activity ... However, in practice, the cost of paying the tax can be passed on either to employees ... or to consumers ...’

Source 8: Payroll tax in Australia, 2022

State	Annual threshold	Tax rate
Victoria	\$650 000	4.85% or 2.43% for regional employers
New South Wales	\$1 200 000	4.85%
Western Australia	\$1 000 000	5.50%
	>\$1 m and <\$7.5 m	5.50%
	>\$100 m and <\$1.5 b	See Note
Queensland	Above \$1.5 b	See Note
	Under \$1 300 000	0%
	\$1.3 m to \$6.5 m	4.75% or 3.75% for regional employers
	Above \$6.5 m	4.95%

Note: 5% for wages up to \$100 million + 6% for wages from \$100 million to \$1.5 billion + 6.5% for wages above \$1.5 billion.