QTON No. 22

Legislative Assembly for the
Australian Capital Territory
Standing Committee on Public
Accounts and Administration

Inquiry into annual and financial reports 2024–2025

Answer to question taken on notice

Asked by: Mr Shane Rattenbury MLA

Addressed to: Treasurer
Redirected to:

In relation to: Treasurer and Payroll tax revenue

Hearing: 21/11/2025
Uncorrected Proof Transcript p 29
Transcript provided: 02/12/2025
Answer Due: 09/12/2025

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MR RATTENBURY: Thanks, that is helpful. Just in terms of payroll then, we have seen a reasonably strong employment market in the ACT, as I understand it. Unemployment continues to be low, so why did our payroll come out lower than anticipated? What is your understanding of that outcome?

Ms Bourke: I do not have the answer to that. Mr Roberts(?) (2.13.40) can probably talk about what is happening with payroll.

Mr Pirie: Mitch Pirie, Executive Group Manager, Economic and Financial Group. We will take the specifics of that on notice, Mr Rattenbury. But I think the labour market continues to perform soundly. Payroll tax collections are remaining resilient, so we are probably comfortable with how things are tracking. For the specifics of that variance, I will take it on notice.

CHRIS STEEL MLA: **The answer to the Member's question is as follows:**

Payroll tax has grown over the last 15 years by 7.5 per cent on average, with annual growth varying between 0.6 per cent and 18.1 per cent. Growth rates can reflect the impact of underlying economic drivers (employment and wages), changes in the payroll tax base, and/or government policy decisions to change tax settings.

In the 2025-26 Budget, payroll tax was estimated to grow by 11.0 per cent in 2024-25 to be $818.6 million. In 2024-25, payroll tax collections were $798.7 million, growing by 8.3 per cent. This was around $20 million lower than forecast in the 2025-26 Budget.

There are several factors that can drive differences between the forecasts and actual collections, including: changes in private sector employment, changes in employee compensation, changes in the employers entering and exiting the taxable payroll base. It is difficult to disaggregate the individual contributors to variances.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature:

Date: 11/12/25

By the Treasurer, Chris Steel MLA