

STATE BUDGET

2018–19

TREASURER ROB LUCAS MLC MEDIA RELEASE

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\$738 million in spending to create jobs, grow the economy and attract new business to South Australia

A new \$100 million fund over the next four years to promote economic and jobs growth in South Australia – is a key part of a \$738 million jobs and industry package in the 2018-19 State Budget.

The Economic and Business Growth Fund signals a major shift in industry assistance policy away from the former Labor government's 'picking winners' approach of giving grants to a small group of lucky businesses.

This fund will focus on creating jobs by directing assistance to broad industry sectors or groups of businesses with much less emphasis on 'picking winners' with grants to individual businesses.

Treasurer Rob Lucas said the fund was part of the Marshall Liberal Government's delivery of election commitments, including \$613.1 million in promised tax cuts, \$202.6m for the Skilling South Australia initiative to create over 20 000 additional apprenticeships and traineeships over the four years and a new Productivity Commission, which sends a clear signal that "South Australia is open for business".

"The Marshall Liberal Government was elected on a platform of creating more jobs and growing the economy and this State Budget delivers," said Treasurer Lucas.

"As South Australia's economy transitions, and with the \$90 billion naval shipbuilding project gaining momentum, we have never been better placed to sell the benefits of living and working in South Australia to the rest of the world.

"The fund will also be utilised to provide strategic support to local businesses expanding into emerging new technologies, capability and capacity, especially where eventually there might be flow-on benefits for other businesses as well."

Among the other jobs creation measures funded in the State Budget over the next four years are:

- \$157.2m to abolish payroll tax for small businesses from January 1, 2019
- \$95.9m to reduce land tax from July 1, 2020
- \$360m in cuts to the Emergency Services Levy from July 1, 2018
- \$5.2m to establish a South Australian Productivity Commission

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- Regional Growth Fund (\$150m over 10 years) to pursue new economic opportunities for the regions
- \$10m for additional tourism marketing to promote SA in key international and domestic markets, including emerging international markets such as China and maintaining traditional markets of the United Kingdom, Europe, United States of America and New Zealand
- \$21.5m for the Event Bid Fund to secure additional major leisure events and conventions
- \$43.9m for capital works to refit and repurpose seven buildings for the Innovation and Commercialisation Precinct at Lot Fourteen (former Royal Adelaide Hospital site)
- \$27.9m Research, Commercialisation and Start-Up Fund to encourage growth of start-ups.
- \$12.8m to establish five new Trade and Investment offices.

Treasurer Lucas said payroll tax reform – a key election commitment - would put \$44 million a year (indexed) back into the pockets of hardworking small businesses, who would be able to employ more people and drive economic growth.

Under the measure, which exempts businesses with annual taxable wages below \$1.5 million from paying payroll tax – saving businesses up to \$44,550 a year – around 3,200 businesses will benefit.

In an added boost, a further 400 businesses with payrolls between \$1.5 million and \$1.7 million will receive a reduction in the amount of payroll tax they are required to pay.

“For far too long, under the former Labor government, businesses were shackled with copious red tape and were effectively penalised for employing more people,” said Treasurer Lucas.

“We are fulfilling our election promise to remove that disincentive for small businesses, to help reduce their cost of doing business, to encourage them to employ more people and grow.”

Treasurer Lucas said the \$202.6m for the Skilling South Australia initiative – in partnership with the Federal Government – would ensure young people were job-ready and trained in emerging industries, such as defence and space.

“The \$90 billion naval shipbuilding project will require a strong local workforce trained in specialist fields and this investment will help ensure young South Australians are well placed to fill those roles,” said Treasurer Lucas.

“Our significant State Budget investment in jobs creation will not only stimulate economic growth but will ensure we lay a strong foundation to secure South Australia’s future.”