

STATE BUDGET

2021-22

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Tuesday 22 June 2021

Creating jobs focus of State Budget 2021-22 as SA's strong economic rebound continues

Thousands of local jobs will be created over the next four years as the State Budget 2021-22 drives South Australia's ongoing economic recovery through targeted stimulus, record infrastructure investment, lower costs for businesses and increased industry growth support.

An enormous infrastructure pipeline – worth a record \$17.9 billion over the next 4 years – is the centrepiece of SA's future jobs boom, with new and upgraded roads, rail, schools and hospitals delivering ongoing employment opportunities right across the state, including for trades.

The Jobs and Economic Growth Fund (formerly the Economic and Business Growth Fund) has \$200 million funding available over four years - in addition to the \$244 million already allocated – to turbo-charge jobs and economic growth in SA through targeted support for new and existing industries.

Defence, space, wine, mining, health technology, food, education and aquaculture are among the key sectors to have received support from the Fund so far, including \$1.5 million to support the establishment of a commercial seaweed industry in SA and \$2 million towards plant-based ingredient research and development at a new Waite laboratory.

\$8 million will support the establishment of the Arkani Ngura National Test Mine and Innovation Centre at the existing OZ Minerals Prominent Hill Mine, to support the development and commercialisation of technology in the resources, space and defence sectors.

An additional \$10.7 million in land tax relief through the Government's land tax transition fund is provided in 2021-22, to assist taxpayers negatively impacted by changes to land tax aggregation rules. This initiative increases relief to 70 per cent of the relevant increase in 2021-22, taking the total value of estimated relief through the land tax transition fund across three years to \$48.7 million.

Treasurer Rob Lucas said creating local jobs was a key focus for the Marshall Liberal Government as the state continues its strong economic recovery from the pandemic.

“Creating new jobs and supporting industry to grow and employ more South Australians is our top priority as we continue to drive strong ongoing economic growth and chart our path out of the pandemic,” said Mr Lucas.

“There are more South Australians employed now than at any other time in the state's history – with latest Labour Force stats showing 6,800 jobs created last month alone – and yet we know there's much more work to be done.

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“Our record \$4 billion economic ‘adrenalin hit’ – announced in last year’s Budget and leveraging a further \$1 billion in Commonwealth, local government and business funds – was the second largest stimulus package in the nation, behind only New South Wales, as a percentage of Gross State Product (3.6%).

“We are building on that momentum with targeted investment in tourism, through redirecting resources to support additional rounds of the Great State Voucher Scheme to stimulate spending in the visitor economy, and to support leisure events targeted at further growing tourism in South Australia.

“We are also delivering \$29.4 million in targeted new investment in the screen industry through additional production support (\$1.6 million per annum from 2021-22) and additional post production support reflecting increased industry activity (\$4.8 million over two years) and continuation (\$6.0 million per annum from 2022-23) of the Post-Production, Digital and Visual Effects Rebate Scheme.

“We are also investing \$800,000 over two years towards an ‘Activating Adelaide’ initiative, by supporting events and activities that encourage people to visit and spend time in the city, including enticing CBD workers who may be working from home to increasingly return to the office. This will have a critical flow-on effect in supporting local businesses, and jobs, including in retail, food and beverage.

“The Government also continues to drive down the cost of doing business in SA which supports jobs, including significant relief in water bills, land tax and payroll tax – including a 12-month extension to payroll tax relief for employers who hire new eligible apprentices and trainees - and we have locked-in more than \$90 million in savings to the Emergency Services Levy for next financial year.”

Mr Lucas said Treasury has estimated a small nursery business with a payroll of \$750,000 saved \$7,730 in 2020-21 compared to what they would have paid if the policy settings of 2017-18 had been continued.

Similarly, the annual savings for a business with a payroll of \$5.5 million are estimated to be \$5,178. That business also received \$203,000 in direct COVID-19 relief as well as deferral of \$107,500 in payroll and land tax.

“If we want South Australian businesses to export more goods and services to national and international markets, and grow jobs, then the costs of doing business in our state have to be nationally and internationally competitive – which is exactly what we’re doing,” said Mr Lucas.

The Government has also announced a new Public Sector Workforce Rejuvenation Scheme, which is expected to create employment opportunities within the public sector, including for graduates and trainees.

The scheme has regard to elements of the schemes used by the former Labor government in 2011 and 2017 for a teacher renewal program, and another that was supported by the Nurses Federation as part of their 2016 Enterprise Bargaining Agreement with the former Labor government for a workforce renewal program for nurses and midwives.

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Under the scheme – which is not expected to result in a net FTE reduction - an employee who has a right to ongoing employment in the SA Public Sector may be offered an incentive to separate from government employment.

Any offers made under the scheme would be at the discretion of a Chief Executive and any decision by an employee to accept an offer would be voluntary.