

# STATE BUDGET

## 2018-19

### TREASURER ROB LUCAS MLC MEDIA RELEASE

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### **State Budget delivers \$613.1m in tax cuts to lower costs, create jobs and drive investment**

The Marshall Liberal Government is delivering on its key election promise to lower costs for families and businesses, with \$613.1m in tax cuts provided in the 2018-19 State Budget across the Emergency Services Levy, land tax and payroll tax to create jobs and grow the economy.

The 2018-19 State Budget provides for a \$360 million reduction in Emergency Services Levy bills over the next four years – a saving of more than 50 per cent for a median value household in metropolitan Adelaide, or around \$145 in 2018-19.

Treasurer Rob Lucas said the 2018-19 State Budget also delivered on the government's commitment to abolish payroll tax for small businesses from January 1 next year, by exempting 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 be exempt from payroll tax as a result of this measure.

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.

“The Marshall Liberal Government was elected on a platform to lower costs for families and businesses and we are delivering,” said Treasurer Lucas.

“Our payroll tax reform will put \$44 million a year (indexed), or \$157.2 million across the forward estimates, back into the pockets of small businesses to reinvest into their operations to create jobs and stimulate the economy to drive growth.

“Small businesses underpin our state's economy and this important tax cut will give them greater confidence to expand and hire more people, while sending a very clear signal that South Australia is open for business.

“We are also pleased to be able to provide genuine ESL relief to families who, for far too long, have been forced to endure massive hikes to their bills under Labor.

“Cheaper ESL bills will save South Australians \$90 million a year.”

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The State Government is also overhauling the state's land tax regime to make South Australia a more attractive place in which to invest and do business.

From July 1, 2020, the tax-free land tax threshold will be increased to \$450,000 up from the current level of \$369,000.

“More than 50,000 land-holders are expected to benefit from our promised land tax reforms, including around 8,000 ownerships that will no longer have a land tax liability at all.

“We will also introduce a new marginal tax rate of 2.9% for holdings valued between the existing top threshold (currently \$1.2 million) and \$5 million.

“These changes are estimated to reduce land tax bills by more than \$47 million each year from 2020-21.

“This will assist small to medium businesses operating out of their own premises, as well as benefitting hardworking people who have investments in residential property which have appreciated over time and those whose superannuation includes property holdings.”

Among other measures funded in the 2018-19 State Budget to provide cost-of-living relief to South Australians over the next four years are:

- \$15.4m in reduced public transport fares
- \$4.9m to abolish fees for volunteer screening checks
- \$29.7m for \$100 sports vouchers for families, for a wider range of recreational pursuits
- \$280,000 in more affordable car parking at the Royal Adelaide Hospital
- \$1 million for an Independent Water Pricing Inquiry
- \$184 million energy solution, including \$100m for home batteries
- Capping NRM levies and council rates
- Seeking to cap council rates