

TREASURER TOM KOUTSANTONIS

Thursday, 7 July 2016

\$109 million grant scheme to help growing businesses create jobs

A \$109 million grant package will encourage businesses to employ more staff and help to address unemployment in South Australia.

The scheme offers a Job Creation Grant of up to \$10,000 over two years for each new full-time equivalent job created in small and medium sized businesses liable for payroll tax in SA.

A Small Business and Start-ups grant of up to \$4,000 over two years is also available for each new job of 22 hours or more per week created by eligible businesses which do not pay payroll tax.

Grants will be available to eligible employers with total payrolls of \$5 million or less who increase their total number of employees between 1 July 2016 and 30 June 2018. The new staff must be employed for at least 12 months, with the first grant of up to \$5,000 paid on the first anniversary date of employment, and the second grant paid on the second anniversary date. There is no limit to the number of times a business can access the grant for additional staff.

The State Budget also provides \$1.25 million to support the Office of the Small Business Commissioner to provide mediation services, and \$600,000 over two years for Business SA to develop a coaching and advisory program for small to medium companies to help them grow their export potential.

Background

Job Creation Grant

The \$10,000 Job Creation Grant applies to businesses liable for payroll tax in South Australia with total taxable Australian wages of no more than \$5 million in the financial year immediately prior to claiming the grant. The grant is paid in two \$5,000 instalments on each anniversary of the increase in employment level.

The grant is paid on a pro rata basis if the hours worked by new staff is less than 35 hours per week.

The scheme is open now. Businesses can apply at www.revenuesa.sa.gov.au/jobs
Small Business and Start-ups Grant

The \$4,000 Small Business and Start-ups Grant is paid in two \$2,000 instalments on each anniversary of the increase in employment.

The grant applies to eligible businesses not liable for payroll tax during the relevant employment period of the new staff member, including due to their total payroll falling below the tax-free threshold of \$600,000.

Businesses must register an additional employee within 90 days of the employee's commencement date.

For both grants, the higher employment level must be maintained for a period of at least two years to receive the full grant, or a minimum of 12 months to be eligible for a partial grant.

The grant scheme will be administered by RevenueSA.

Quotes attributable to Treasurer Tom Koutsantonis

Job creation is a central priority of the State Government and is a cornerstone of this Budget.

The Job Creation Grant Scheme follows nation-leading tax reform announced in the last State Budget that will return more than \$670 million to businesses and the community.

Since that time 6,000 jobs have been created in South Australia.

Treasury estimates this scheme will provide grants for 14,000 full-time equivalent positions. Reaching that target in the current economic climate will be challenging but we need to do all we can to address the state's high unemployment rate.

There is still more work to be done and these grants will build on our tax reforms and stimulate further job creation in South Australia.

We want to reward growing businesses in South Australia and help them grow faster. We are backing SA businesses that want to expand and create more jobs.



These Job Creation Grants will incentivise employment growth in businesses that have the capacity to expand.

We are investing in our growing businesses because they need to be allowed to lead the way as we modernise our economy.

Quotes attributable to Employment Minister Kyam Maher

The State Budget includes important measures – including this \$109 million Job Creation Grant Scheme – to continue South Australia’s transformation towards a modern and innovative economy that creates jobs for the future.

This scheme will also deliver significant benefits for South Australia’s regional communities.

Some of our regions, such as the Upper Spencer Gulf and Outback, are facing employment challenges, so the Job Creation Grant Scheme will help regional small businesses in particular to employ more staff.

Quotes attributable to Small Business Minister Martin Hamilton-Smith

South Australia continues to be a strong small business state and this budget is as much about supporting SMEs as anything else.

To that end we are supporting small business through a package that includes commercialisation funding, training to help grow export potential and grants to employ additional staff.

Our procurement policies also ensure as many jobs as possible go to local workers and contractors, many of them in the SME sector.

We are also investing in infrastructure and training now to ensure as many local SMEs as possible can service the defence industry supply chain in South Australia.

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