

COVID-19: SA State Government Stimulus Response



South Australian Premier Steven Marshall yesterday announced a range of measures intended to help individuals and businesses make it through the COVID-19 crisis.

You can read a complete summary of the measures [here](#). The value of the new initiatives is estimated to be around \$650 million, which brings the total State Government commitment to \$1 billion, after its previous announcement of \$350 million to support infrastructure and service projects.

For small businesses whose payroll falls below the Payroll Tax Threshold (currently a not insignificant \$1.5 million), and that don't own any taxable property, there is almost no direct relief at all in these measures. State Governments generally have less levers they can pull during a crisis, but even so, while the dollar value is generous given our relatively small budget, there's still work to be done here to deliver much needed support to more small-medium businesses.

Nevertheless, some of the highlights include:

Payroll Tax Relief

Employers whose total annual payroll is under \$4 million across their group will be entitled to a six month waiver of Payroll Tax, while those whose annual payroll exceeds \$4 million can defer for six months. The period covered is April to September.

Land Tax

[New Land Tax rates](#) are due to come in from 1st July 2020. As we previously highlighted, while the State Government trumpeted the savings at the time of passing the legislation, the introduction of broader aggregation rules meant that there could in fact be a significant additional charge for property owners, with no grandfathering for existing arrangements.

To offset this, the Government set aside funds for transitional relief (as a compromise to get the legislation passed). For those eligible, the relief amounted to 50% of the additional land tax payable for the 2020-21 year (with reduced relief for future years). For the 2020-21 year, this relief has now been increased to 100% of the additional tax due as a consequence of the new aggregation measures - effectively resulting in a one year deferral of the impact of aggregation.

It's worth noting here too that applications for this transitional relief, even at the previous level, need to be made by 31st March of the relevant year.

Stimulus Payments

Much like the Federal Government's measures, the State Government will provide a one-off payment of \$500 and bring forward the 2020-21 '[Cost of Living Concession](#)' for those on low or fixed incomes. For an eligible homeowner, this will result in a total payment of \$715.10, while tenants will receive \$607.60.

Liquor licence fees waived

Liquor licence fees for venues forced to closed will be waived for 2020-21, which seems more in the category of 'equitable' than 'generous'. It will nevertheless still be welcome news for affected businesses.

Additional support funds

A \$300 million business support fund and a \$250 million community and jobs fund, targeted more at community organisations and not-for-profits, will also be established. More details on who will benefit and how the funds will be accessed will surely follow.

...and finally...the latest from Dewings

We have moved a number of our team to working from home and are rotating a skeleton staff in the office to ensure that we can still be available to assist you as required. We are all in separate office areas and have ceased all face-to-face meetings, both internally and externally.

There are now a number of significant Federal and State Government stimulus measures available to those in business, as well as payments and relief for people whose employment has been reduced or terminated. There are also many different ways to reduce costs and prepare a business to improve its capacity to ride out these challenging times.

We're here to help you, as we're able. Our office may be closed but our phones are open, and we're continuing to offer complimentary calls (rather than face-to-face meetings at this time) to review your situation and work through possible options with you.

Please [contact us](#) to discuss your situation further.

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