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TAX RELIEF AND REBATES APPROVED - INCLUDING RAINWATER TANKS

Cabinet has today officially endorsed more Labor election promises on several tax relief and rebate schemes - including the \$200 rebate on rainwater tanks for backyard garden watering.

Premier Mike Rann says the new rainwater tank rebate scheme is now officially backdated until March 11, the date the announcement was made during the election campaign.

“We’re hoping people take advantage of the current rain band sweeping South Australia, so they can begin storing water for inevitable drier months ahead.

“The new rebate is for tanks of 1000 litres or more and given prices start from about \$400, this rebate can cover half the cost of a basic tank,” Mr Rann said.

“The \$9.47 million initiative will enable 40,000 more tanks to be purchased by home gardeners over the next four years.

“We already lead the nation in rainwater tank ownership, with about 45 per cent of properties having a rainwater tank – but in a dry State like ours, we need to do better.”

Mr Rann says other initiatives officially approved by Cabinet today include:

- **Abolishing payroll tax for employers for wages paid to apprentices and trainees.**

“The Government will have to amend the Payroll Tax Act to provide this exemption, so we will be introducing it into the Parliament as soon as possible.

“It will provide a huge incentive to employers to take on more apprentices and trainees, providing relief for employers of an estimated \$24.6m next year, and \$104 million over four years. It will cut the cost of employing an apprentice or trainee by up to \$1,440.

“This is a real saving for employers – and for employers with large numbers of apprentices, or for Group Training Companies, the savings will be many times this figure.

“We estimate that overall, employers will respond by increasing apprentice and trainee numbers by up to 10 per cent,” Mr Rann said.

“It complements the payroll tax cuts already delivered by this Government which has progressively cut the payroll tax rate from 5.67 per cent to 4.95 per cent – to the equal lowest rate in the nation.

- **Payroll tax exemptions for wages or salaries associated with direct on-site construction of renewable energy plants.**

“From 1 July 2010, investors in new large-scale renewable energy projects will receive a rebate of payroll tax paid for labour associated with direct, on-site construction of new renewable energy projects,” Premier Rann said.

“It will apply to wind farms, solar panel installations, solar thermal projects and geothermal facilities.

“Up to a \$5 million rebate will be available for eligible projects in the four years to June 2014.

“The rebate will have a maximum of \$5 million per project for solar and \$1 million per project for wind. It will apply for four years to 30 June 2014 and will be reviewed after its first two years of operation.

“I expect the effect of this rebate will be to provide a payroll tax holiday for most, if not all, all new wind farms over the four year period.

“It will also provide significant relief for investors in large-scale solar energy projects.

“South Australia is already a national and international leader in attracting investment in renewable energy.

“We have almost half of Australia’s wind power, 90 per cent of its geothermal investment and more solar rooftop installations on a per household basis than any other State.

“We are on track to achieve our targets of having 20 per cent of electricity generation coming from renewables by 2014 and 33 per cent by 2020,” Mr Rann said.