

Tasmanian Employment Incentive Scheme

June 2013

On 10 December 2012, as part of the *Tasmanian Jobs Package*, Tasmanian Minister for Finance Scott Bacon announced a third instalment to the Government's Employment Incentive Scheme (EISPR3). The Tasmanian 2013-14 Budget allocates \$500 000 of funding in 2013-14, \$2.1 million in 2014-15 and \$1.4 million in 2015-16 to introduce the payroll tax rebate for all new jobs generated before 30 June 2014 and maintained until 30 June 2015.

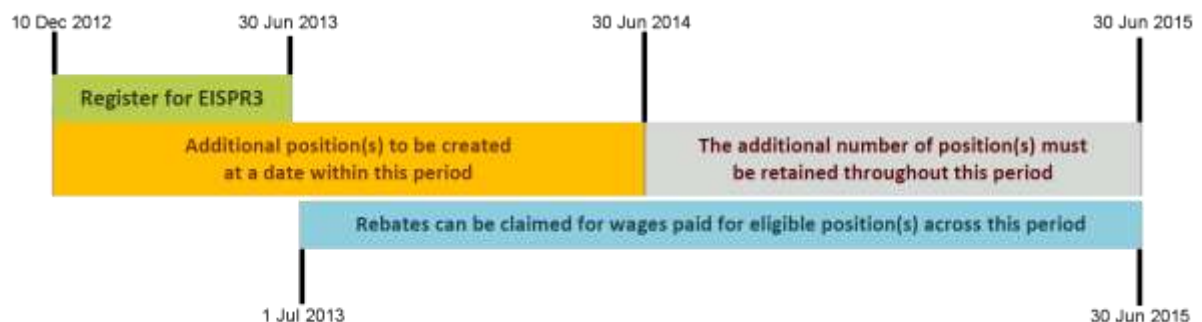
The Minister's media release is available [here](#)

Background

Enacted in 2009, the *Employment Incentive Scheme (Payroll Tax Rebate)* aimed to support the creation of new jobs between June 2009 and June 2010 by providing a rebate on all payroll tax paid on these positions for a period up to June 2011. Such was the success of the scheme that a second instalment (EISPR2) was later announced as part of the 2011-12 Budget, for jobs established between June 2011 and June 2012. In total, it is believed that more than 1700 jobs were created as a consequence of the first two instalments of this rebate.

Employment Incentive Scheme (Payroll Tax Rebate) (EISPR3)

It is estimated that this latest instalment, which provides payroll tax relief for businesses that create new positions between 10 December 2012 and 30 June 2014, and retain those positions until 30 June 2015, will cost taxpayers \$0.5 million in 2013-14, and a total of \$4.0 million across the forward estimates to 2015-16.



In combination with other programs outlined in the 2013-14 Tasmanian Budget, the Government believes that the payroll tax rebate will contribute positively to employment growth (1.0% increase) and consequently, to a reduction in the state's unemployment rate to 6.75% in 2013-14.



Finance Minister Bacon concludes that, based on previous results, “the current payroll tax rebate is estimated to support the creation of 850 new jobs”. The scheme however, will not be capped, with the final cost subject to the number of eligible positions created during the allotted period.

Eligibility

Eligible employers must:

- Be registered for, and pay, payroll tax in Tasmania; and
- Register for EISPR3 by completing the [EISPR3 Registration Form](#); and
- Ensure their base employment level does not fall below the level on 10 December 2012.

Eligible positions must:

- Be newly created and filled on or after 10 December 2012 and on or before 30 June 2014; and
- Be continuously maintained for the period up to and including 30 June 2015; and
- Be full-time or part-time (but not casual); and
- Create a liability for payroll tax within Tasmania; and
- Not be a seasonal appointment.

Full details and guidelines for EISPR3 can be found [here](#)

Tasmanian Jobs Package

In addition to the Payroll Tax Rebate, Tasmanian Premier Lara Giddings has announced that the *Tasmanian Jobs Package* will include a series of other measures to support the creation of more than 3300 jobs, at a total cost to the budget of \$24.5 million across the forward estimates.

This includes funding for:

- The First Home Builders Boost;
- The Tasmanian Government Innovation and Investment Fund;
- Community Infrastructure Projects;
- Marketing Tasmania as a tourist destination;
- Lighting Upgrade for Aurora Stadium;
- Construction of track at the Hollybank Mountain Bike Park;
- Extending the boardwalk at the Launceston Seaport;
- The Dairy Tasmanian ‘Filling the Factories’ Program;
- Salmon Industry Jobs Growth for George Town; and
- The Parliament Square Development.

Full details of the Tasmanian Jobs Package can be found [here](#)



To complement these programs, The Tasmanian Government has also announced that from 1 July 2013, the payroll tax threshold for Tasmanian businesses will increase from \$1.01 million to \$1.25 million, the first increase for over 10 years and making it the largest of its kind in Australia.