

PAYROLL TAX REBATE SCHEME (JOBS ACTION PLAN) AMENDMENT (FRESH START SUPPORT) BILL 2014

Bill introduced on motion by Mr Mark Speakman, on behalf of Mr Andrew Constance, read a first time and printed.

Second Reading

Mr MARK SPEAKMAN (Cronulla—Parliamentary Secretary) [5.54 p.m.], on behalf of Mr Andrew Constance: I move:

That this bill be now read a second time.

The Government has listened to the community of Orange and is reintroducing the Payroll Tax Rebate Scheme (Jobs Action Plan) Amendment (Fresh Start Support) Bill 2014 to assist the community devastated by the closure of the Electrolux factory. Providing benefits and amending the previous bill raises questions about the procedural requirements to be followed in the context of a money bill. This bill has therefore been reintroduced afresh into the lower House. The Government proposes to extend the closure date under the Jobs Action Plan for a further two years, to 30 June 2017, in respect of the employment of any employee made redundant in the period from 1 January 2014 to 30 June 2017, where they were formally employed at the Electrolux factory at Orange. This recognises the significant impact that this factory closure will have on the community of Orange.

Extending the closure date for former Electrolux workers employed at the Orange factory highlights the benefits of this scheme as it targets a specific region and a specific industry sector, recognising the impact of the current economic climate and the likely impact on the Orange community from the closure of the Electrolux factory. The bill builds on the Government's election commitment under the Jobs Action Plan to create jobs in New South Wales and rebuild the New South Wales economy. The bill proposes an amendment to the Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011. As the Jobs Action Plan [JAP] Fresh Start Support [FSS] builds on the current JAP scheme, all the current legislative requirements for the JAP continue.

The original Jobs Action Plan Payroll Tax Rebate Scheme recognised the key role of business in boosting employment and offered a strong incentive for businesses to hire additional staff. The Jobs Action Plan has been instrumental in helping to create more than 132,000 jobs in New South Wales since this Government came to office. Data to the end of October 2014 shows 78,429 JAP registrations have been received. The Fresh Start Support Scheme proposed under this bill will provide an additional \$1,000 payroll tax rebate to hiring employers when they hire a worker made redundant after 1 January 2014 from a list of designated employers. As under the current scheme, the hire must be for a new job and result in an increase in the new employer's full-time equivalent [FTE] numbers. Provisions are made for part-time employees.

The \$1,000 additional payroll tax rebate under the Fresh Start Support Scheme will be paid on the

first anniversary of the employment of the employee. This additional \$1,000 means the JAP rebate increases to a possible maximum of \$6,000 for employees formally employed by designated employers. This would mean eligible employers would receive a \$3,000 rebate of payroll tax on the first anniversary of employment of the relevant employee—being \$2,000 under the existing JAP and an additional \$1,000 under the Fresh Start Support Scheme—and \$3,000 on the second anniversary. To be eligible for the JAP FSS payroll tax rebate the employer must employ a worker who has been made redundant between 1 January 2014 and 30 June 2015 from a designated employer. The services of those made redundant must have been performed in New South Wales.

We will ask that businesses undergoing significant redundancy episodes notify the Government so they can be listed as a designated employer and their former employees can benefit from this support. A regulation will be tabled shortly that outlines guidelines for defining a designated employer and the definition of a redundancy. These guidelines can be varied with the approval of the Expenditure Review Committee. The guidelines specify that, once a business is listed as a designated employer, it will remain so until the JAP FSS closes. This bill recognises the difficult economic environment many businesses are operating in and encourages employers to hire employees made redundant through no fault of their own. This bill demonstrates that the Government remains committed to making New South Wales the first place to do business and encouraging employers to expand their operation. I commend the bill to the House.

Debate adjourned on motion by Mr Robert Furolo and set down as an order of the day for a future day.