



Full Day Hansard Transcript (Legislative Council, 12 November 2014, Proof)

Proof

Extract from NSW Legislative Council Hansard and Papers Wednesday, 12 November 2014 (Proof).

Second Reading

The Hon. MATTHEW MASON-COX (Minister for Fair Trading) [5.50 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The announced closure of the Electrolux factory in Orange is expected to have significant impact on the local community. In recognition of this, the Government proposes to extend the closure date for a further two years to 30 June 2017 in respect of the employment of any employee made redundant between the period 1 January 2014 and 30 June 2017, where they were formally employed at the Electrolux factory at Orange.

The Government's proposal to extend the closure of the Jobs Action Plan (Fresh Start Support) for a further two years to 30 June 2017 in respect of employees made redundant between the period 1 January 2014 and 30 June 2017, where they were formally employed at the Electrolux factory at Orange, is more targeted and recognises the consequences that factory closures, such as this, will have on small regional communities.

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.

This 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 (Fresh Start Support) [JAP (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 128,600 jobs in New South Wales since the New South Wales Government came to office. Data up to the end of October 2014 shows around 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.

Employers that employ a worker under the Jobs Action Plan (Fresh Start Support) Scheme will 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 Fresh Start Scheme—and \$3,000 on the second anniversary.

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 formerly employed by designated employers.

In the case of part-time employees, the amount of the rebate will be pro-rated based on the number of hours worked compared to the standard hours of the particular employer's full time employees—consistent with the current legislative provisions in the Jobs Action Plan legislation.

To be eligible for the JAP (FSS) payroll tax rebate the employer must employ a worker that 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.

The JAP (FSS) is currently scheduled to close to new applicants from 30 June 2015, consistent with the current JAP scheme.

We ask that businesses undergoing significant redundancy episodes notify the government so they can be listed as a designated employer, so their former employees can benefit from this support.

A regulation has been drafted which outlines guidelines for defining a "designated employer" and the definition of a "redundancy".

However, the Government opposes this proposed amendment given the current economic environment. Employment growth forecasts in the budget are expected to reduce the need for the extension.

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 the Government remains committed to making New South Wales the first place to do business and encouraging employers to expand their operations.

I commend the bill to the House.