

SMALL BUSINESS GRANTS (EMPLOYMENT INCENTIVE) BILL**Introduction**

Bill introduced on motion by Ms Gladys Berejiklian, read a first time and printed.

Second Reading

Ms GLADYS BEREJIKLIAN (Willoughby—Treasurer, and Minister for Industrial Relations) [4.24 p.m.]: I move:

That this bill be now read a second time.

This bill delivers on the Government's Jobs for New South Wales election commitment to encourage job creation and grow the economy. The bill is designed to incentivise the nearly 650,000 small businesses in New South Wales that do not pay payroll tax. The bill establishes the Small Business Employment Incentive scheme, which will help deliver the Government's target of 150,000 new jobs in New South Wales over the next four years. We as a Government appreciate the importance of job creation to our economy. We will do everything we can to increase jobs. This is a Government committed to making it easier for all employers to take on extra staff. The bill builds on the Jobs Action Plan extension that was passed last week.

Data on the Jobs Action Plan, which provides a \$5,000 rebate for payroll tax-paying businesses that take on an extra employee for two years, shows that up to the end of April 2015, 101,983 registrations had been received. It is disappointing to note that the Labor Party opposed the extension legislation. Its reasons were very flimsy. Its main excuse was that the bill did not consider non-payroll taxpaying businesses. It has no room to move on this. We have a comprehensive plan to keep New South Wales running as the engine room of the Australian economy. We promised to make our State the strongest in Australia, and we have. We took office when the economy was at a very low point and the budget was in tatters. In just over four years we have turned that around. We have created more than 100,000 jobs. This bill will assist in the further creation of jobs.

The Small Business Employment Incentive Grant Scheme will provide a grant to employers of up to \$2,000 per full-time employee. In the case of a part-time employee, the amount of the grant will be pro-rataed based on the number of hours worked compared to the standard hours of the particular employer's full-time employees. Employers will receive the grant in a lump sum after the first anniversary of the hire of a new employee. The grant scheme will apply to new positions filled on or after 1 July 2015 and will continue until 1 July 2019. To obtain the grant employers will initially register a new employee with the Office of State Revenue within 60 days after the employee commences work. Small businesses have 60 days in which to register. An employer who satisfies the eligibility criteria will be able to apply for payment of the grant after the first anniversary of the date on which the employment commenced.

The eligibility criteria for the grant have been designed to ensure employers increase the number of employees for at least 12 months. Eligibility criteria for the grant include: the employer is an eligible small business, the position must be a genuinely new position, the employment commences on or after 1 July 2015 and before July 2019, the wages of the new employee must not be liable for payroll tax in New South Wales, and the work must be performed wholly or mainly in New South Wales.

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While the grant scheme is closely modelled on the existing Jobs Action Plan, there are a number of differences—and that is important to highlight here for the purpose of the passage of this bill. The grant ensures that new employees are not limited to one new position but can be moved within their company, reflecting the flexibility needed in small businesses with lesser staff numbers. Unlike the Jobs Action Plan, which provides a payroll tax rebate for new jobs where the number of full-time equivalent staff increases and is maintained over a two-year period, the small business employment incentive grant will be paid to businesses where they increase their employee numbers, including part time and casual, and maintain the increase for one year.

Employers of apprentices and trainees can receive the grant—whereas under the Jobs Action Plan they are not eligible. These criteria ensure that small businesses that take on the additional costs and obligations of hiring apprentices and trainees may receive up to \$2,000. The registration period has been extended to 60 days to allow small businesses more time to apply. The combination of the Jobs Action Plan and the small business employment incentive grant scheme are designed to assist the nearly 700,000 businesses in New South Wales to expand and to employ more staff. I find it difficult to comprehend how any member of the House could contemplate not supporting this bill. Since the New

South Wales Government came to office around 188,300 jobs have been created.

This bill provides real incentive for businesses to employ new workers and encourages employers to expand their operations in New South Wales. It is part of our commitment to making sure that New South Wales is the first place not only to do business in Australia but also where people can be assured of the security that having a job brings. I commend the bill to the House. I seek the support of the Opposition and ask those opposite to reconsider the negativity on jobs creation that they have demonstrated in recent weeks in relation to the Jobs Action Plan extension legislation. I ask them to consider supporting this bill. It is a huge boost to incentivise those businesses that do not pay payroll tax in New South Wales to take on more employees and help them to establish their careers, and thus assist job creation in New South Wales.

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