



# Full Day Hansard Transcript (Legislative Council, 24 June 2015, Proof)

## Proof

Extract from NSW Legislative Council Hansard and Papers Wednesday, 24 June 2015 (Proof).

### **SMALL BUSINESS GRANTS (EMPLOYMENT INCENTIVE) BILL 2015** **Second Reading**

**Mr SCOT MacDONALD** (Parliamentary Secretary) [11.28 a.m.], on behalf of the Hon. John Ajaka, 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.**

This bill delivers on the Government's Jobs for New South Wales election commitment to encourage job creation and grow the economy of NSW.

The bill is designed to incentivise the nearly 650,000 small businesses in New South Wales who 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.

This is a Government which appreciates the importance of job creation to our economy. 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 which was passed last week. Data on the Jobs Action Plan, which provides a \$5,000 rebate for payroll tax-paying-businesses which take on an extra employee for two years, shows that up to the end of April 2015, 101,983 registrations have been received—yet the Labor Party opposed its extension for another four years.

Its main excuse was that the bill did not consider non-payroll-tax-paying businesses—even though we had foreshadowed this legislation and announced it during the campaign.

We have a comprehensive plan to keep New South Wales as the engine room of the Australian economy. We promised to make New South Wales number one again and we have delivered. When we took office, New South Wales was an economic basket case—we now lead the nation on key economic indicators.

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 prorated 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 amount 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. 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 1 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.

While the grant scheme is closely modelled on the existing Jobs Action Plan, there are a number of differences:

- 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 equivalents 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. This ensures that small businesses, which take on the additional costs and obligations of hiring apprentices and trainees, may receive up to \$2,000.
- The registration period is 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 is designed to assist the nearly 700,000 businesses in New South Wales to expand and employ more staff.

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 this Government making sure that New South Wales is the first place to do business in Australia.

I commend the bill to the House.