

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

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**Bill introduced on motion by Mr Mike Baird, read a first time and printed.**

**Second Reading**

**Mr MIKE BAIRD** (Manly—Treasurer, and Minister for Industrial Relations) [3.33 p.m.]: I move:

That this bill be now read a second time.

The Payroll Tax Rebate Scheme (Jobs Action Plan) Amendment (Fresh Start Support) Bill 2014 builds on the Government's election commitment under the Jobs Action Plan to create jobs in New South Wales and to rebuild the New South Wales economy. The bill proposes an amendment to the Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011. Because the Jobs Action Plan Fresh Start Support builds on the current scheme, all the current requirements of the scheme 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 obviously been instrumental in helping to support the creation of more than 91,000 jobs in New South Wales since the Government came to office. Data to the end of January 2014 shows that approximately 41,100 applications have been received to date.

The Fresh Start Support scheme proposed in this bill will provide an additional \$1,000 payroll tax rebate to 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 numbers. In the case of part-time employees, the amount of the rebate will be pro-rated based on the number of hours worked compared with the standard hours of the particular employer's full-time employees, consistent with the current legislative provisions in the Jobs Action Plan legislation. 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 rebate increases to a possible maximum of \$6,000 for employees formally employed by designated employers. This will mean eligible employers 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 scheme and an additional \$1,000 under Fresh Start Support, and \$3,000 on the second anniversary.

Key issues the Government will consider in determining whether an employee should be listed as a designated employer are whether the scale of retrenchments from the employer will cause significant disruption to an industry or region, or whether the employer operates in a specialised field with employees who have limited opportunities for re-employment in that or another field. A numerical test of 100 or more employees made redundant from a business in a metropolitan area during a 12-month period or 50 or more employees made redundant

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from a business in a non-metropolitan area during a 12-month period will automatically be taken to have satisfied the designated employer criteria. The Government may still list designated employers who do not meet the numerical test but those redundancies will have a material impact in their local area.

Metropolitan areas include local government areas in the Sydney Statistical Division, including Gosford and Wyong, plus the local government areas of Newcastle and Wollongong. The non-metropolitan area consists of the rest of New South Wales. Those definitions are again consistent with the legislative provisions in the existing scheme. To be eligible for the 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. The new scheme is currently scheduled to close to new applicants from 30 June 2015, consistent with the current existing scheme. However, the Government will reconsider this as circumstances develop.

For employees and employers to benefit from the scheme it will be necessary for the former employer to be listed as a designated employer. This is to ensure that those most in need of assistance during major structural adjustments in their respective industry or businesses are supported. We 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. The bill does not allow these designated employers to be eligible for a scheme, noting that these businesses should not benefit from hiring additional staff when they have recently made significant redundancies. The designated employer would, however, remain able to claim a payroll tax rebate if they meet the criteria.

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 Government. The guidelines specify that once a business is listed as a designated employer, it will remain so until the scheme closes. This bill recognises the difficult economic environment that many businesses are operating in both domestically and globally—obviously some businesses are caught in global circumstances—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 at every opportunity encourages employers to expand their operations, which is the genesis of this bill. The Government wants to provide an incentive to existing businesses through this rebate scheme to create a new job. I commend the bill to the House.

**Debate adjourned on motion by Mr Richard Amery and set down as an order of the day for a future day.**