

PAYROLL TAX DEFERRAL (BLUESCOPE STEEL) BILL 2015**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) [4.12 p.m.]: I move:

That this bill be now read a second time.

I seek leave to table the Payroll Tax Structure Payment Plan Deed, as provided for in the bill.

Leave granted.

I reinforce the point that essentially the bill legislates what the Government already is committed to in relation to BlueScope Steel. I begin my second reading speech by acknowledging the work done by management, workers and unions to ensure assistance and ongoing viability of the 4,500 employees who were vulnerable to losing their jobs. Obviously that would have been devastating not only for them and their families but also for the entire Illawarra region. I note the presence in the gallery of a number of members of that community. I personally acknowledge their contribution to supporting the retention of BlueScope Steel jobs and to supporting the Illawarra steelworks.

The bill provides for a new Act to implement the Government's announcement that BlueScope Steel will be provided with a structured deferral of payroll tax of up to \$60 million over three years through a defined payment schedule. This targeted payroll tax deferral arrangement will assist BlueScope Steel to secure its Port Kembla operations. Payroll tax payments will be deferred over three years, commencing from 1 January 2016 on a calendar year basis. For the period 1 January 2016 to 31 December 2018, the payroll tax deferral will be as follows: 1 January 2016, deferral of up to \$25 million; 1 January 2017, deferral of up to \$20 million; and 1 January 2018, deferral of up to \$15 million. For each of the above calendar years, when payroll tax liability exceeds the applicable threshold, BlueScope will be required to make monthly payroll tax payments. From 1 December 2018 BlueScope will be required to pay its payroll tax liability on a normal monthly basis.

Following the three-year deferral period, BlueScope will be required to repay its deferred payroll tax, plus its normal payroll tax, over a period of 10 years from 2020 to 2029. The agreement between the Government and BlueScope Steel is subject to a number of terms and conditions. As I mentioned, we have seen management, the workers and the unions all doing their bit by working to maintain the steelworks at Port Kembla. This payroll tax deferral is the Government's contribution to that effort. I emphasise, as I did at the time of the announcement, that this is a one-off unique form of assistance that is designed to help Port Kembla workers move forward in the current tough global business conditions, and reflects the unique situation faced by BlueScope in the Illawarra.

Employment in the region is diversifying and it is very promising. But this outcome would not have been achieved if management, the workers, unions and the Government had not all acted collaboratively. I am pleased to inform the House that the Government also is working very hard to diversify the economy and to support diversification of the economy in the Illawarra region. Since the Government was elected in April 2011, 12-month employment in the Illawarra region has risen by approximately 14,400.

This bill highlights what can be achieved when we have a strong budget and a Government that is willing to work alongside our key stakeholders to achieve a positive result for the wider community. I appreciate that all members of the House will support the legislation. I reiterate the Government's commitments to always work with all stakeholders in the community, even though from time to time

we may have different opinions on a whole range of policy issues. But when it really matters—when many jobs are at stake and a region is at a critical point for its future—it is important for us to work together. I am very pleased that that happened on this occasion. I thank everybody for their support. I commend the bill to the House.

Debate adjourned on motion by Ms Anna Watson and set down as an order of the day for a future day.