

Bill introduced on motion by Mr Andrew Constance.

Agreement in Principle

Mr ANDREW CONSTANCE (Bega—Minister for Ageing, and Minister for Disability Services) [10.51 a.m.]: I move:

That this bill be now agreed to in principle.

The Payroll Tax Rebate Scheme (Disability Employment) Bill 2011 provides for a new Act to implement the Government's commitment under Stronger Together 2 to provide a payroll tax rebate to employers of new employees with a disability. I am particularly pleased that the Treasurer is in the Chamber. The Treasurer has been very involved in the development of this bill and I thank him for the dedication, time and commitment that he has shown to supporting people with disabilities in this State. No greater evidence of that has been shown by his work in relation to the Stronger Together reform and the delivery and provision of some \$2 billion in growth moneys over the next five years. The Government is fully committed to protecting the most vulnerable members in the community and giving people with a disability the best chance of securing a job.

NSW 2021, a plan to make New South Wales number one, has outlined the following targets aimed at increasing the participation of people with disabilities in employment or further education. The first is that 60 per cent of transition to work participants will move into employment or further education by 1 July 2014 and 65 per cent of transition to work participants will move into employment or further education by 1 July 2019. It is also the Government's clear aim to close the gap in the unemployment rate between people with a disability and the overall community by 50 per cent by 2016. This bill supports these targets by providing a \$4,000 payroll tax rebate to employers of new employees with a disability from 1 January 2012. Employers will receive the rebate in two equal parts, \$2,000 after three months of employment and \$2,000 after six months of employment.

The Government has committed \$2 million per annum over the next five years for this initiative which I indicated when the budget was delivered a month ago. The Government made it clear at the time that it wanted these reforms put in place in order to provide people with disability opportunity, hope, the ability to have access to employment and certainly it will move people away from the specialist support system into employment opportunities. For employers to obtain the rebate an employee must be in the target group under the Disability Services Act 1993, as well as completing the Transition to Work Program. The Transition to Work Program is a two-year program provided by the Department of Family and Community Services primarily aimed at young people with a disability with moderate to high needs and assists them in gaining employment after completing year 12 studies.

To qualify for the rebate, the employee must have commenced employment on or after 1 January 2012 and before 1 July 2016 and the employee should work an average of at least 12 hours a week. There is discretion to pay the rebate if the reason for not achieving the 12 hours average work is beyond the employer's control, such as illness of the employee. The employer must be liable for payroll tax, either during the period of employment or in a financial year during which an eligible employee is employed. Similar to arrangements under the Jobs Action Plan, certain employment arrangements will not be eligible for the rebate; for

example: employing people who have worked for the employer within the past 12 months, the employer is part of a group and the employee has worked for another member of that group within the past 12 months, employing people under a labour hire arrangement where the liability for payroll tax applies to employment agents and engaging independent contractors who are not engaged as employees.

Employment agents will be able to qualify for rebates in respect of their own employees provided they satisfy the criteria. In addition, employers will not be eligible for the rebate: if they are exempt from payroll tax, for example charitable bodies who have no commercial undertakings, or if they receive other rebates such as the rebate for apprentices and trainees under the Payroll Tax Act 2007 or rebates under the Regional Development Act 2004 or the Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011. State Government departments and non-business statutory authorities are excluded from the rebate scheme because they are largely funded from appropriations from the Consolidated Fund.

Like the Jobs Action Plan, which commenced on 1 July 2011, this bill further demonstrates the Government's intention of increasing employment in New South Wales and encouraging employers to expand their operations; in particular, it is designed to provide people with disabilities employment opportunities. When the Government announced this measure during the State Budget it received an incredibly positive and warm response from the sector. I know the Nova chief executive Martin Wren said the budget measure was an absolutely fantastic initiative and was definitely appreciated. He said:

We are thrilled by the announcement—and it will only help to find work for the extremely talented disabled workers who are yet to find employment ...

We have helped thousands of workers find good, well-paid jobs and we certainly don't think that being disabled in any way should prevent people from contributing in the workforce.

As the Minister for Disability Services I share those sentiments, and they are shared by the Treasurer and the Government. The legislation will come as no surprise to anybody in this place, given that it was announced in the State Budget. The Government is keen to have the scheme up and running by 1 January and that is why the bill has been introduced today. I commend the bill to the House.

Debate adjourned on motion by Mrs Barbara Perry and set down as an order of the day for a later hour.