

Regional Development Bill 2004

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to provide a framework for strategic intervention in the economies of regional New South Wales through the provision of financial assistance to regions.

Outline of provisions

Part 1 Preliminary

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 sets out the object of the Act, which is to provide a framework for strategic intervention in the economies of regional New South Wales for specified purposes, including to help fill gaps left by the market system, to promote economic and employment growth in regions, to assist regional communities to capitalise on their regional strengths, to broaden and reposition the industry base of their regions and to develop new products and new markets and to develop regional or local solutions to business problems.

Clause 4 defines certain words and expressions used in the proposed Act.

Part 2 Financial assistance

Clause 5 enables the Minister, on application made to the Minister, to grant financial assistance to a person conducting or proposing to establish an industry or other business in a region or to a person or group of persons for the purposes of carrying out an undertaking that is likely to assist the economic development of a region or the object of the proposed Act. The Minister may consider the likely economic impact on the region concerned of granting financial assistance when determining an application for financial assistance. Financial assistance may be withdrawn or varied by the Minister on application made to the Minister or at the Minister's discretion.

Clause 6 provides that the financial assistance granted under the proposed Act may consist of all or any of a grant of money, a subsidy or a pay-roll tax rebate.

Clause 7 enables the Minister to make a grant of financial assistance subject to conditions determined by the Minister, including conditions relating to meeting specified performance targets or outcomes, obtaining specified investment levels, repayment of assistance where targets or outcomes or investment levels are not met and the periods for which, or intervals at which, assistance is to be provided.

Clause 8 provides that financial assistance may be in the form of a rebate of payroll tax paid during a specified year or years. The Minister is to determine the basis on which the amount of a rebate is to be calculated and may determine that it is or is not payable in respect of specified employees. An employer (or the group of employers of which an employer is a member) must pay all pay-roll tax for a year to entitle the employer to a rebate for that year.

Clause 9 enables the Minister to require financial assistance to be repaid if a condition of the assistance was that it be repaid or a condition of the assistance has not been complied with or the Minister is of the opinion that the assistance was improperly obtained. If the amount is not repaid, it may be recovered in a court of competent jurisdiction as a debt due to the Crown.

Clause 10 makes it clear that the proposed Act does not prevent the Minister from granting, and does not limit the granting of, other assistance for or with respect to regional development, whether or not such assistance could be granted

under the proposed Act.

Part 3 Miscellaneous

Clause 11 provides for the establishment of a Regional Development Trust Fund into which is to be paid money appropriated by Parliament for the purposes of the proposed Act and other money, including gifts and bequests. The Fund is to be used for the payment of financial assistance under the proposed Act and to pay the costs of administering the proposed Act.

Clause 12 enables the Minister to establish a Regional Development Advisory Council and provides for regulations to be made for or with respect to the Council. The functions of the Advisory Council are to advise the Minister on any matter that is referred to it by the Minister and to advise on any other matter it considers relevant to the object of the proposed Act.

Clause 13 enables the Minister to delegate the Minister's functions under the proposed Act to the Director-General of the Department of State and Regional Development. The Director-General may delegate to a member of staff of the Department of State and Regional Development any of the Minister's delegated functions (if authorised to do so by the Minister) and any of the Director-General's functions under the proposed Act.

Clause 14 makes it an offence to disclose information obtained in connection with the administration or execution of the proposed Act except in specified circumstances (for example, in accordance with the *Freedom of Information Act 1989*).

Clause 15 provides that proceedings for an offence under the proposed Act or the regulations are to be dealt with summarily before a Local Court.

Clause 16 contains a general regulation-making power.

Clause 17 repeals the *Country Industries (Pay-roll Tax Rebates) Act 1977*.

Clause 18 makes a consequential amendment to the *Taxation Administration Act 1996*.

Clause 19 gives effect to the Schedule of savings and transitional provisions.

Clause 20 requires the Minister to review the proposed Act to determine whether the policy objectives of the proposed Act remain valid and whether the terms of the proposed Act remain appropriate for securing those objectives as soon as possible after the period of 5 years from the date of assent to the proposed Act.

Schedule 1 Savings and transitional provisions

Schedule 1 enables savings and transitional regulations to be made consequent on the enactment of the proposed Act and also makes it clear that existing country pay-roll tax rebates may be continued.