

DRAFT SECOND READING SPEECH

PAYROLL TAX REBATE (APPRENTICES, TRAINEES AND YOUTH EMPLOYEES)

AMENDMENT BILL 2020

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Madam Speaker,

The COVID-19 pandemic has had a very real and significant economic impact on businesses, jobs, families and the Tasmanian community. In response to this, the Tasmanian Government has taken unprecedented steps to support the State's recovery including social and economic support packages totalling around \$1 billion.

To ensure that the Tasmanian community is well placed to meet the challenges presented by COVID-19 and the opportunities ahead, the Premier's Economic and Social Recovery Advisory Council was established to provide advice to the Government on strategies and initiatives to support the State's medium and longer-term recovery from COVID-19.

Madam Speaker,

On 20 July 2020, the Council delivered its Interim Report to the Government. The Report identified 64 key recommendations to assist Tasmania's economic and social recovery.

All recommendations have been accepted by the Government.

Madam Speaker,

Recommendation 45 of the Council's report stated, "The State Government should extend the payroll tax rebate schemes for youth employees, and for apprentices and trainees".

The Interim Report goes on to say that the youth employment incentive should be extended for at least 12 to 18 months to provide enhanced medium-term certainty to employers taking on

new young workers. The report also provides that the apprentice and trainee payroll tax incentive should be extended to all sectors and extended in duration for an extra 12 to 18 months to provide an incentive for business to take on young employees.

Madam Speaker,

This Bill amends the *Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Act 2017* to implement the Council's recommendation.

To support local businesses that invest in an apprentice or trainee the Government will extend the successful payroll tax rebate scheme for apprentices and trainees by 12 months, from 30 June 2021 to 30 June 2022.

Importantly, the extended scheme for apprentices and trainees will also be expanded to include all Tasmanian industries from 1 January 2021 to 30 June 2022.

The Government recognises the valuable investment that business makes in training the next generation of Tasmanians and we want to make sure that businesses are confident and prepared to take on more apprentices and trainees.

Madam Speaker,

In April this year, the Government reintroduced a one-year payroll tax rebate for new youth employees as part of stage one of the Government's social and economic support package in response to the COVID-19 pandemic.

To further encourage businesses to employ more young people, this Bill also extends the payroll tax rebate for youth employees by 18 months, from 31 December 2020 to 30 June 2022.

In addition to the Payroll Tax Rebates, this Government will also be extending the Targeted Apprentice and Trainee Grant for Small Business to any small business who employs an apprentice or trainee until 30 June 2022.

And we expect that initiative will support around 2000 new full-time apprentices and trainees.

Together we expect the small business Apprentice and Trainee Grant and the Payroll Tax Rebates to support the employment of a further 4,000 apprentices, trainees and youth employees.

Madam Speaker,

The extended and expanded rebate will incentivise new employment opportunities for apprentices, trainees and youth employees in Tasmania, and is expected to cost the Government around \$11.3 million.

This Government recognises that a skilled and productive workforce is vital to our economy as we recover from the impacts of COVID-19, and that a rewarding career is beneficial to the wellbeing of individuals and communities. The changes to the payroll tax rebate scheme will contribute to a more productive workforce, now and in the future, to the benefit of both young people and businesses.

Madam Speaker,

I commend this Bill to the House.