

DRAFT SECOND READING SPEECH

HON. PETER GUTWEIN MP

Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Bill 2017

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Madam Speaker,

The Government announced measures in the 2017-18 Budget to increase the number of new apprentices, trainees and youth employees in Tasmania, at an estimated cost of approximately \$17 million over the Budget and Forward Estimates period. These measures will support businesses to grow and to develop a more skilled workforce, and will also offer young people greater opportunities to enter the workforce.

The Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Bill 2017 will provide payroll tax relief to businesses operating in Tasmania that employ apprentices, trainees and youth employees during a two year period commencing from 1 July 2017.

The objective of the Bill is to incentivise employment by encouraging businesses in Tasmania to employ apprentices, trainees and youth employees. All Tasmanians will share the benefits of an improved economy and higher levels of employment.

Madam Speaker,

The Bill establishes a legislative framework to provide payroll tax rebates in relation to two types of employment.

The first relates to employment of apprentices and trainees that are employed from 1 July 2017 to 30 June 2019. The rebate will be available for a maximum period of two years from the date each eligible apprentice or trainee contract is registered with the Tasmanian Trainee and Apprenticeships Committee.

The second relates to youth employees aged between 15 and 24 inclusive that are employed on a full or part time basis from 1 July 2017 to 30 June 2019 and who are not undertaking a traineeship or apprenticeship. This rebate will be available for a maximum period of one year from the date of employment for each youth employee.

Madam Speaker,

The rebates will help create and support Tasmanian jobs, reduce the cost of hiring additional staff for employers that are subject to payroll tax and continue the improvement of the Tasmanian economy.

The rebate for apprentices and trainees also complements other Budget announcements including the Government's Small Business Grants to support businesses below the payroll tax threshold to hire apprentices and trainees, and support for the residential building industry through an extension to the First Home Builders Boost.

Madam Speaker,

The rebates will commence from 1 July 2017 and will be administered by the Commissioner of State Revenue and his Office. The Commissioner will issue further guidance on how employers can claim the rebate which will be publically available.

In summary, the rebates are about continuing the improvement in the economy, providing greater opportunities for young Tasmanians entering the work force and sustaining business confidence.

Madam Speaker, I commend this Bill to the House.