

PAY-ROLL TAX RELIEF (COVID-19 RESPONSE) AMENDMENT BILL 2020

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Stephen Dawson (Minister for Environment)**, read a first time.

Second Reading

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [5.37 pm]: I move —

That the bill be now read a second time.

This bill seeks to extend the sunset clause of the Pay-roll Tax Relief (COVID-19 Response) Act 2020 from 21 April 2021 to 21 April 2022. The Pay-roll Tax Relief (COVID-19 Response) Act was enacted on 20 April 2020 to provide a four-month payroll tax waiver for 10 700 small to medium-sized businesses, together with a payroll tax exemption for payments made under the commonwealth government's JobKeeper scheme. This act was treated as a COVID-19 priority bill by both houses, as it should have been.

The act contains regulation-making powers to allow other payroll tax measures to be prescribed if they are part of COVID-19 economic relief measures. The McGowan government used these powers to continue the payroll tax exemption for payments under the commonwealth government's JobKeeper scheme when it was extended until 28 March 2021. Clearly, this was a wise decision. The act will be automatically repealed on 21 April 2021 by a sunset clause, which means that the regulation-making power and any regulations in effect will cease from that date. This bill will extend the sunset clause until 21 April 2022 to preserve the regulation-making powers in the event that other payroll relief tax measures are required after 20 April 2021. The amendments do not extend the payroll tax waiver and original JobKeeper exemption contained in the act or grant any new relief measures.

It is highly unlikely that there will be sufficient time to deal with this bill when Parliament commences after the election in March 2021. This bill is therefore considered by the government to be a COVID-19 priority bill. We need to ensure that in these unprecedented times, we provide businesses with timely certainty about payroll tax relief measures. The Treasurer clearly stated in his second reading speech in the other house that he does not want businesses to have to pay payroll tax simply because we do not have the lever to quickly provide COVID-19 exemptions that we consider should be available. Therefore, the bill needs to be passed urgently before the act is repealed to allow the government to make further regulations if other relief measures are required. This will allow the government to continue its support for Western Australian businesses during these unprecedented times. If the act is repealed as planned, new legislation will need to be drafted and passed to provide any other payroll tax relief measures that may be required in the future. If this is delayed until after the election, it may well result in businesses missing out on the cash flow benefits that payroll tax exemptions will bring.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to a bilateral or multilateral intergovernmental agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and table the explanatory memorandum.

[See paper [4491](#).]

Debate adjourned, pursuant to standing orders.

House adjourned at 5.40 pm
