

Pay-roll Tax Assessment Amendment (Exemption for Trainees) Bill 2018

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Western Australia

LEGISLATIVE ASSEMBLY

**Pay-roll Tax Assessment Amendment
(Exemption for Trainees) Bill 2018**

A Bill for

An Act to amend the *Pay-roll Tax Assessment Act 2002*.

The Parliament of Western Australia enacts as follows:

s. 1

1 **1. Short title**

2 This is the *Pay-roll Tax Assessment Amendment (Exemption for*
3 *Trainees) Act 2018*.

4 **2. Commencement**

5 This Act comes into operation as follows —

- 6 (a) sections 1 and 2 come into operation on the day on
7 which this Act receives the Royal Assent;
8 (b) the rest of the Act is deemed to have come into
9 operation on 1 December 2017.

10 **3. Act amended**

11 This Act amends the *Pay-roll Tax Assessment Act 2002*.

12 **4. Section 40 amended**

13 Delete section 40(2)(m) and (o).

14 **5. Section 41D inserted**

15 At the end of Part 5 insert:
16

17 **41D. Exempt wages: apprentices and trainees under**
18 **training contracts**

19 (1) In this section —

20 *apprentice* has the meaning given in the VET Act
21 section 60A;

22 *class A or class B qualification* means a prescribed
23 VET qualification (as defined in the VET Act
24 section 5(1)) that is classified as a class A qualification
25 or class B qualification under the VET Act
26 section 60C;

- 1 **initial employer**, in relation to an employee and a
2 training contract, means the employer who enters into
3 the contract with the employee and does not include
4 another employer to whom the contract is assigned;
- 5 **group member**, in relation to an employer, means
6 another employer in a group of which the employer is a
7 member;
- 8 **nominal period**, in relation to a training contract,
9 means the nominal period or nominal term (however
10 described) that applies under a requirement for the
11 training contract imposed under the VET Act
12 section 60C(5);
- 13 **registered training contract** means a training contract
14 that has been registered under the VET Act
15 section 60F;
- 16 **training contract** has the meaning given in the VET
17 Act section 60A;
- 18 **VET Act** means the *Vocational Education and*
19 *Training Act 1996*.
- 20 (2) Wages paid or payable by an employer to or in relation
21 to an employee are exempt from pay-roll tax if the
22 wages are paid or payable for a period during which
23 the employee is an apprentice under a registered
24 training contract that —
- 25 (a) is for a class A or class B qualification; and
26 (b) in accordance with a requirement imposed
27 under the VET Act section 60C(5), refers to the
28 apprentice under the training contract as an
29 “apprentice”.

s. 5

- 1 (3) Wages paid or payable by an employer to or in relation
2 to an employee are exempt from pay-roll tax if —
- 3 (a) the wages are paid or payable for a period
4 during which the employee is an apprentice
5 under a registered training contract that —
- 6 (i) is for a class A or class B qualification;
7 and
8 (ii) in accordance with a requirement
9 imposed under the VET Act
10 section 60C(5), refers to the apprentice
11 under the training contract as a
12 “trainee”; and
13 (iii) has not been in effect for longer than the
14 nominal period for the training contract;
15 and
- 16 (b) the employee is an eligible new employee
17 under subsection (4); and
- 18 (c) on the day on which the training contract was
19 lodged for registration under the VET Act
20 section 60F(2) —
- 21 (i) there had not been any previous
22 registered training contract between the
23 employee and the initial employer or a
24 group member of the initial employer;
25 and
26 (ii) the employee’s pay entitlement did not
27 exceed the threshold amount worked out
28 under subsection (5).
- 29 (4) For the purposes of subsection (3)(b), the employee is
30 an eligible new employee unless, immediately
31 preceding the commencement date stated in the
32 training contract, the employee had been continuously
33 employed by the initial employer or by the initial

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- 1 employer and one or more group members of the initial
2 employer —
- 3 (a) in full-time employment for more than
4 3 months; or
- 5 (b) in part-time or casual employment (or a
6 combination of both) for more than 12 months;
7 or
- 8 (c) in a combination of full-time employment and
9 part-time or casual employment (or both) for a
10 period that is more than the equivalent of
11 3 months of full-time employment, worked out
12 on the basis that 4 months of part-time or casual
13 employment are taken to be equivalent to
14 1 month of full-time employment.
- 15 (5) For the purposes of subsection (3)(c)(ii), the
16 employee's pay entitlement exceeds the threshold
17 amount if, under the terms and conditions that apply to
18 the employee's employment, the employee is entitled
19 to a rate of pay for ordinary hours of work that,
20 expressed in annualised terms, would exceed \$100 000
21 per annum for a full-time employee or a pro rata
22 amount for a part-time employee.
- 23 (6) If a training contract is suspended under the VET
24 Act —
- 25 (a) an exemption under subsection (2) or (3) does
26 not apply to wages paid or payable to or in
27 relation to the employee for the period of the
28 suspension; and
- 29 (b) the period of the suspension is not to be taken
30 into account in determining the period for
31 which the training contract has been in effect
32 for the purposes of subsection (3)(a)(iii).
33

1 **6. Schedule 1 Division 6 inserted**

2 At the end of Schedule 1 insert:

3

4 **Division 6 — Provisions for the *Pay-roll Tax Assessment***
5 ***Amendment (Exemption for Trainees) Act 2018***

6 **15. Terms used**

7 In this Division —

8 *apprentice* has the meaning given in the *Vocational*
9 *Education and Training Act 1996* section 60A;

10 *commencement day* means 1 December 2017, being the day
11 on which the *Pay-roll Tax Assessment Amendment*
12 (*Exemption for Trainees*) *Act 2018* section 6 is deemed,
13 under section 2(b) of that Act, to have come into operation;

14 *existing training contract* means a training contract that was
15 lodged for registration under the *Vocational Education and*
16 *Training Act 1996* section 60F(2) before commencement
17 day.

18 **16. Modification of s. 41D for existing training contracts**

19 Section 41D applies in relation to an employee who is an
20 apprentice under an existing training contract as if
21 section 41D(3)(b) and (c)(i) were omitted.

22 **17. Reassessment**

23 Subject to the *Taxation Administration Act 2003* section 17,
24 the Commissioner must make any reassessment necessary as
25 a result of the amendments made by the *Pay-roll Tax*
26 *Assessment Amendment (Exemption for Trainees) Act 2018*
27 coming into operation on commencement day.
28

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