

LEGISLATIVE ASSEMBLY

Read 1° 30 October 1985

(Brought in by Mr Fordham and Mr Jolly)

A BILL

to amend the *Decentralized Industry Incentive Payments Act 1972*, the *Economic Development Act 1981* and the *Victorian Economic Development Corporation Act 1981* and for other purposes.

Decentralized Industry Incentive Payments (Amendment) Act 1985

The Parliament of Victoria enacts as follows:

Purpose.

- 5 1. The purpose of this Act is to provide for the reduction and ending of rebates of pay-roll tax and land tax to certain decentralized industries.

Commencement.

2. This Act comes into operation on the day on which it receives Royal Assent.

Principal Act.

- 10 3. In this Act, the *Decentralized Industry Incentive Payments Act 1972* is called the Principal Act.

No. 8383
Reprinted to No.
9862.

Amendment of Principal Act.**4. (1) In section 2 (1) of the Principal Act—****(a) In the definition of “decentralized establishment”—****(i) for paragraph (a) (i) substitute—**

“(i) In respect of which a declaration under sub-section (7) was in force immediately before 9 April 1984; or”;

(ii) for paragraph (b) substitute—

“(b) a sawmill in respect of which a declaration under sub-section (3B) was in force immediately before 9 April 1984;”;

(b) For the definitions of “special area” and “special establishment” substitute—

“**“Special area”** means an establishment in respect of which a declaration under sub-section (4) was in force immediately before 9 April 1984.

“**“Special establishment”** means an establishment in respect of which a declaration under sub-section (3) was in force immediately before 9 April 1984.”

(2) After section 2 (9) of the Principal Act insert—

“(10) The Minister may, by instrument, delegate to the Director-General of Industry, Technology and Resources or to an officer employed in the Department of Industry, Technology and Resources any of the powers or duties of the Minister under section 4 (4) or (5A) or 4B (1A) or (3A).”

Application of Act.**5. (1) After section 2 of the Principal Act insert—****Eligibility to apply under sections 3 and 4A.**

“2A. (1) An employer who, on 9 April 1984, was eligible to make an application under section 3 (1) or (2) or 4A (1) or (2) does not cease to be eligible to make an application under section 3 (2A) or section 4A (2A) by reason only that—

(a) the name of the industry, sawmill or establishment is changed; or

(b) the place at which the industry sawmill or establishment is carried on or is situated is changed but remains in an area in respect of which an application could have been made under section 2 (3A), (4) or (6), as the case may be—

but does cease to be so eligible if the name or place is changed and the industry, sawmill or establishment ceases to be carried on for a period of three months.

5 (2) An employer who carries on a manufacturing or processing industry at a decentralized establishment or special establishment being an industry which was carried on by another employer who was, on 9 April 1984, eligible to make an application under section 3 (1) or (2) or 4A(1) or (2) is, subject to this Act, eligible to make an application under section 3 (2A) or 4A (2A).

(3) Sub-section (2) does not apply if—

- 10 (a) the manufacturing or processing industry ceases to be carried on for a period of three months; or
(b) if the employer or either of the employers enters into an agreement under section 2B.

Agreement to extinguish or vary rights under this Act.

“2B. (1) An employer who—

- 15 (a) on 9 April 1984, was eligible to make an application under section 3 (1) or (2) or 4A (1) or (2); and
(b) wishes to enter into an agreement under this section—
may apply to the Minister.

(2) The Minister, if satisfied that an applicant under sub-section (1)—

- 20 (a) is likely to continue to carry on the same manufacturing or processing industry for at least three years; and
(b) is proposing to carry out further development of the manufacturing or processing industry or has other good reason connected with the carrying on of the business for
25 making application under this section—
may enter into an agreement under this section with the applicant.

(3) An agreement under this section between the Minister and employer must be in writing and—

- 30 (a) may provide for the making of a payment or, with the approval of the Treasurer, a loan to the employer, whether under section 13 (3) of the *Economic Development Act* 1981 or from other moneys available for the purpose; and
(b) may provide for the extinguishing or the variation (whether or not subject to conditions) of the rights of the employer
35 under section 3 (1) or (2) or 4A (1) or (2) in respect of all or any of the years to which those rights relate.

(4) If an agreement is made under this section—

- 40 (a) the agreement has effect according to its tenor; and
(b) this Act applies, or ceases to apply, to the employer in respect of the manufacturing or processing industry as provided in the agreement.”.

Rebates of pay-roll tax.

6. (1) After section 3 (2) of the Principal Act insert—

“(2A) An employer (within the meaning of this Act) who is eligible to make an application under sub-section (1) or (2) before 30 November 1985 may apply to the Minister in the prescribed manner before 30 November in 1985, 1986 or 1987 for a payment in respect of the financial year last ended before that date calculated in accordance with section 4 (5).”

(2) After section 4 (3) of the Principal Act insert—

“(4) The Minister shall approve the payment of an amount calculated in accordance with sub-section (5) to an employer who applies pursuant to section 3 (2A).

(5) The amount of the payment approved under sub-section (4) shall be calculated in accordance with the formula

$$\frac{A \times B \times G}{C}$$

where—

- A is the total pay-roll tax paid by the applicant in the relevant financial year.
- B is the total wages paid by the applicant to employees normally employed at the decentralized establishment in respect of which the application is made on which payroll tax is paid by the applicant during the relevant financial year.
- C is the total wages paid by the applicant on which pay-roll tax was paid by the applicant during the relevant financial year.
- G is—
- (a) in respect of the financial year ending on 30 June 1985—0.75;
- (b) in respect of the financial year ending on 30 June 1986—0.5;
- (c) in respect of the financial year ending on 30 June 1987—0.25.

(5A) The Minister shall approve the payment to an employer who applies pursuant to section 3 (2A) in respect of a special establishment of an amount equal to half the amount that would have been payable to the employer if the employer had been entitled to apply in respect of a decentralized establishment.”

(3) In section 4 (7) of the Principal Act, for the definition of “total pay-roll tax paid” substitute—

“Total pay-roll tax paid” means—

- (a) in relation to a financial year other than the financial year ending on 30 June 1987—the amount actually paid (less any refund made to the applicant in respect

of that year under the *Pay-roll Tax Act 1971*) by an applicant in that year under section 7 of that Act less any part of that amount charged, levied and collected at a rate exceeding five per centum per annum; and

- 5 (b) in relation to the financial year ending on 30 June 1987—the amount actually paid (less any refund payable to the applicant in respect of that year under the *Pay-roll Tax Act 1971*) by an applicant in that year under section 7 of that Act less any part of that amount charged, levied and collected at a rate exceeding five per centum per annum.
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Rebates of land tax.

7. (1) After section 4A (2) of the Principal Act insert—

- 15 “(2A) An employer (within the meaning of this Act) who is eligible to make an application under sub-section (1) or (2) before 30 November 1985 may apply to the Minister in the prescribed manner before 30 November in 1985, 1986 or 1987 for a payment in respect of the year last ended before that date.”

(2) After section 4B (1) of the Principal Act insert—

- 20 “(1A) The Minister shall approve the payment of an amount calculated in accordance with the following formula to an employer who applies pursuant to section 4A (2A) in respect of a decentralized establishment—

$$\frac{D \times F \times J}{E}$$

25 where—

- D is the unimproved value of the land upon which the decentralized establishment is situated on which land tax was assessed in respect of the year for which the payment is claimed.
- 30 E is the total unimproved value of land owned by the employer on which land tax was assessed in respect of the year for which payment is claimed.
- F is the amount of land tax paid in respect of the year for which the payment is claimed less any refund under the *Land Tax Act 1958* received in that year.
- 35 J is—
- (a) in respect of land tax assessed on land owned on 31 December 1984—0.75
- (b) in respect of land tax assessed on land owned on 31 December 1985—0.5
- 40 (c) in respect of land tax assessed on land owned on 31 December 1986—0.25.”

(3) After section 4B (3) of the Principal Act insert—

“(3A) The Minister shall approve the payment of an amount calculated in accordance with the following formula to an employer who applies pursuant to section 4A (2A) in respect of a special establishment—

$$\frac{G \times I \times J}{4H}$$

where—

- G is the unimproved value of the land upon which the special establishment is situated on which land tax was assessed in respect of the year for which the payment is claimed. 10
- H is the total unimproved value of land owned by the employer on which land tax was assessed in respect of the year for which payment is claimed.
- I is the amount of land tax paid in respect of the year for which the payment is claimed less any refund under the *Land Tax Act 1958* received in that year. 15
- J is—
- (a) in respect of land tax assessed on land owned on 31 December 1984—0.75
- (b) in respect of land tax assessed on land owned on 31 December 1985—0.5 20
- (c) in respect of land tax assessed on land owned on 31 December 1986—0.25.”

(4) In section 4B of the Principal Act—

- (a) in sub-section (2), after “(1)” insert “or (1A)”; and 25
- (b) in sub-section (4), for “(1)” substitute “(3) or (3A)”.

(5) In sections 7 and 8 of the Principal Act, for “for Economic Development” (where three times occurring) substitute “of Industry, Technology and Resources”.

Transitional provisions. 30

8. An application made under section 3 (1) or (2) or 4A (1) or (2) of the Principal Act before the date of commencement of this section by a person who under the Principal Act as amended by this Act, is eligible to make such an application in respect of any part of the financial year ending on 30 June 1985 or the year ended on 31 December 1984 is deemed, for the purposes of calculating any amount payable under this 35

Act, to have been made on the date of that commencement and any payment in respect of that application shall be determined accordingly.

Amendments to other Acts.

5 9. (1) In section 13 (5) of the *Economic Development Act 1981*, paragraphs (a) and (b) are repealed.

(2) In section 3 of the *Victorian Economic Development Corporation Act 1981*, paragraph (b) of the definition of "regional industry" is repealed.

