

AUSTRALIAN CAPITAL TERRITORY

PAYROLL TAX ACT 1987

INSTRUMENT NO. 258 OF 2001

EXPLANATORY STATEMENT

Section 9 of the *Payroll Tax Act 1987* (the Act) provides an exemption from payroll tax for wages paid or payable in specific cases. The provisions covering apprentices and trainees have been removed from this section and a new section 9A has been enacted providing exemption from payroll tax to employers of eligible new starters.

A new starter is a person who is employed for the first time in an industry or occupation and is receiving eligible training for work in that industry or occupation. This is a more generic term than apprentice or trainee and is consistent with the New Apprenticeship System and the Australian Qualifications Framework.

All references to particular training schemes have been removed from the Act and eligible training is defined under section 9A (2) as training that is approved by the Minister in writing, takes place in a single continuous period which starts within the first 12 months after a new starter is first employed in the industry or occupation. While the eligible training can be for a period exceeding 12 months, the exemption is only available for the first 12 months of the eligible training.

This approval is made under section 9A (2) (a) and links “eligible training” to the lists of approved training and vocations, as at 1 September 2001, which have been published in the Gazette under the *Vocational and Education Training Act 1995* (the VET Act). Training is approved under the VET Act only after consideration is given to the purpose and level of the course, curriculum and assessment methods, qualifications proposed to be awarded, endorsed competency standards, relevant industry, and professional or academic bodies views about the course. An employer is not taken to be providing a vocational education and training course just because they conduct training for their employees.

The link to courses approved under the VET Act ensures that all employers of new starters who are receiving appropriate vocational training can receive the benefit of an exemption from payroll tax for those employees who meet the criteria set out in section 9A.

Authorised by the Treasurer.