

House of Representatives

Supplementary Order Paper

Thursday, 9 November 2006

Disabled Persons Employment Promotion (Repeal and Related Matters) Bill

Proposed amendments

Dr Paul Hutchison, in committee, to move the following amendments:

Clause 4(b)

To omit “30 June 2007” and substitute “30 June 2009, or the time by which the Government has defined the taxation/benefit arrangements, so that no disabled workers are adversely affected fiscally from their current status, nor are employers fiscally disadvantaged, whichever is the sooner”.

Clause 7

To omit “30 June 2007” and substitute “30 June 2009, or the time by which the Government has defined the taxation/benefit arrangements, so that no disabled workers are adversely affected fiscally from their current status, nor are employers fiscally disadvantaged, whichever is the sooner”.

Clause 8(b)

To omit “30 June 2007” and substitute “30 June 2009, or the time by which the Government has defined the taxation/benefit arrangements, so that no disabled workers are adversely affected fiscally from their current status, nor are employers fiscally disadvantaged, whichever is the sooner”.

Explanatory note

National stated in the report of the Social Services Committee on the Bill in 2004 that “we have grave concerns that this Bill will have unintended consequences that will do more harm than good if implemented in its current form”. New Zealand First, United Future and ACT also expressed reservations. Mentioned are concerns around compliance costs and practical implementations.

The Government has not sorted out or defined the taxation/benefit arrangements or employer support measures.

Many of the sheltered workshops are saying their viability will be seriously threatened once the exemption from minimum wages is removed. Some disabled employees may lose their jobs and some may be worse off due to the attrition of their benefits through high effective marginal tax rates.

National remains opposed to the Bill in its present form, but regards the above amendments as essential to the interest of both disabled people and employers. It would be ideal for all people with disabilities to be able to gain work in open employment where practical, but sheltered workshops provide an atmosphere that many people with disabilities and their families value enormously.

