

BUDGET ESTIMATES 2020

Portfolio Committee No. 1 – Premier and Finance

Minister Tudehope

Hearing: Thursday 5 March 2020

Answers to questions taken on notice (due by Friday 3 April 2020)

EMERGENCY BUSHFIRE RESPONSE: SMALL BUSINESS GRANTS

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Question 1:

What is the major error that businesses are making in applications for the Small Business Grants?

Answer:

The main reasons for incomplete or ineligible bushfire grant applications are:

- Not meeting eligibility criteria, e.g. customers applied on the basis of loss of income, not direct damage.
- Customers uploading inadequate evidence to demonstrate damage.
- Customers not providing quotes, receipts or invoices matching the amount sought under the grant.

The proportion of incomplete applications has been decreasing with the Business Concierge team providing tailored advice for new applicants, helping address these common issues.

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Question 2:

What is the average amount given to small businesses in the bushfire grants?

Answer:

At 4 March 2020 the total of approved small business bushfire grants was 179, with \$3,513,034 payments made. This is an average payment of \$19,625.89 per approval.

This included the Disaster Recovery Grant of up to \$15,000, which was available from August 2019 to February 2020.

The Emergency Bushfire Response Small Business Grant of up to \$50,000, became available in February 2020.

Additionally, the Small Business Bushfire Support Grant of \$10,000 for loss of income related to the bushfires became available from 16 March 2020. This grant was established by the Commonwealth as a result of representations by the NSW Government, including the Deputy Premier and myself as the Minister for Finance and Small Business.

As at 2 April 2020 a total of 9,041 grants (all three grants) have been approved with a total value of \$101.61 million. The overall average payment is \$11,239 while the average payment to the 558 small businesses approved for the Emergency Bushfire Response Small Business Grant of up to \$50,000 grant is \$29,247.

This grant is paid in two parts so most approved applicants will receive an initial \$25,000 with a further payment of up to \$25,000 to be paid later after “full evidence of payment” is provided.

LAND TAX - HABERFIELD

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Question 3: How many parties were affected by erroneous land tax assessments arising from the Westconnex project and what has been done to address this problem?

Answer:

Revenue NSW first became aware of this matter on 7 February 2020. As at 4 March 2020 Revenue NSW had taken action in regard to 11 customers identified to that point. Subsequently, further customers have been identified. On 13 March 2020, Revenue NSW was provided with a list from the Valuer General of 171 properties that had new property identification numbers created as a result of the WestConnex M4-M5.

Revenue NSW is working through the list of affected properties and contacting customers to confirm whether any exemptions, such as for the principal place of residence, should be applied and whether a reassessment should be issued. This process is ongoing.

No erroneous land tax assessments have been paid by landholders.

BUSHFIRE CLEANUP

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Question 4:

How many sites have been cleaned up?

How many is it anticipated will be cleaned up?

Answer:

This question is more appropriately directed to the Deputy Premier, the Hon John Barilaro MP, in his capacity as the Minister responsible for Disaster Recovery.

FINES ACT 1996 – NEW GUIDELINES

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Question 5:

Is the NSW Council of Social Services part of the consultation on the guidelines?

Answer: Revenue NSW is consulting with the NSW Council of Social Services as part of its consultation on the draft new guidelines under the *Fines Act 1996*.

UNPAID AMBULANCE FEES

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Question 6:

How many enforcement actions have been taken for unpaid ambulance fees?

Answer: In the 2018/19 financial year 93,107 enforcement actions were taken to recover unpaid ambulance fees.

Question 7:

What is the quantum of unpaid ambulance fees that has been recovered by Revenue NSW?

Answer: \$6,051,955.00 was recovered in the 2018/19 financial year.

OSTWALD BROTHERS/OSTWALD CONSTRUCTION

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Question 8:

Is the investigation into the circumstances that led to the involvement of Ostwald Brothers in the Pacific Highway upgrade complete?

What were the terms of reference of that review?

If so what was the outcome of that investigation?

Answer:

In late December 2017, the then NSW Minister for Roads, Maritime and Freight, the Hon. Melinda Pavey MP asked the NSW Small Business Commissioner (SBC) to review the circumstances surrounding the decision by Ostwald Bros Pty Ltd to enter into voluntary administration while engaged as a subcontractor on the Wave 5A section of the Woolgoolga to Ballina Pacific Highway upgrade.

The review was completed in 2018.

As this was not a formal investigation, there were no Terms of Reference.

Ostwald Bros Pty Ltd entered into voluntary administration in August 2017, leaving 23 sub-subcontractors unpaid a total sum of \$7.3 million and resulting in a devastating impact on the lives of a number of residents, families and businesses in the local regional community.

On 28 December 2017, the Hon. Melinda Pavey MP, NSW Minister for Roads, Maritime and Freight, and the then NSW Small Business Commissioner, Robyn Hobbs OAM met with the affected sub-subcontractors to discuss tailored support during the period of transition.

Following that meeting, the NSW Minister for Roads, Maritime and Freight, the Hon. Melinda Pavey MP asked the NSW Small Business Commissioner to review the circumstances surrounding the decision by Ostwald Brothers to enter into voluntary administration while engaged on Wave 5A.

As part of the review, the Office of the Small Business Commissioner (OSBC) met with the affected sub-subcontractors in Coffs Harbour on 21 January 2018 to offer one-on-one advice and speak

privately and confidentially about their strategic options going forward. These discussions also fed into the NSW Small Business Commissioner's review of the matter.

On 28 May 2018, the Deputy Premier of NSW as Minister for Small Business, met with affected sub-subcontractors in Coffs Harbour to discuss their individual circumstances.

On 16 July 2018, the Deputy Premier of NSW announced that the NSW Government would provide financial assistance to those small businesses that worked on the Pacific Highway in Northern NSW, and were left out of pocket when Ostwald Bros Pty Ltd went into liquidation.

The NSW Small Business Commissioner personally met with the affected small business to complete the required paperwork, before administering the financial assistance.

As an outcome of the review, the NSW Government paid affected sub-sub-contractors for completed works. I am advised there is one outstanding payment to be made and I expect this will be completed in the near future.

The NSW Government has taken steps to improve the procurement design, governance and legislative framework for the building and construction sector.

For example, Roads and Maritime Services revised its contractual arrangements to allow it to obtain financial information at three monthly intervals to monitor a contractor's ongoing financial viability.

New Security of Payments laws for the building and construction industry came into effect in NSW on 21 October 2019. Under the amended *Building and Construction Industry Security of Payment Act 1999* (SOPA), head contractors now have 20 business days to pay subcontractors, instead of the previous 30 days.

- A new payment structure allows subcontractors to make a claim at least once a month for completed work, and a final claim if a contract is terminated; and,
- There are increased compliance and enforcement powers for NSW Fair trading.

These laws apply to the whole industry including head contractors engaged in work for the NSW Government.

Additionally, the Small Business Commission continues to work on ways to strengthen on-boarding processes for smaller subcontractors working on NSW Government infrastructure projects, including contract and project management. The focus is on increased proactive education ensuring subcontractors on government projects know their rights and where to go for support. This has included a pilot educational program commenced in April 2019 in partnership with Roads and Maritime Services.

This pilot has resulted in the development of targeted information for subcontractors including the planned release in April 2020 of a series of short animated videos focusing on cash flow, contracts, SOPA, insolvency and where to go for help to be distributed through social media, as well as posted on the websites of Roads and Maritime Services and the NSW Small Business Commissioner.

Question 9:

Is Ostwald Brothers or Ostwald Construction currently getting any NSW government contracts?

Answer:

In July 2016, Roads and Maritime Services (RMS), through their project delivery partner, Pacific Complete, contracted Seymour White Construction to perform early works as part the Tyndale section (Wave 5A) of the Woolgoolga to Ballina Pacific Highway upgrade. Seymour White Construction subsequently subcontracted Ostwald Bros Pty Ltd, who engaged its own subcontractors (the sub-subcontractors).

I am advised that Ostwald Bros Pty Ltd entered in voluntary administration in August 2017, into liquidation in November 2017 and ceased trading in May 2018.

I am further advised that there are no current NSW Government contracts with Ostwald Bros Pty Ltd or Ostwald Construction Materials Pty Ltd or as the latter subsequently has become known, Surat Basin Construction Materials Pty Ltd.

PARRAMATTA LIGHT RAIL

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Question 10:

What are the up-to-date figures on consultations with businesses impacted by the Parramatta Light Rail?

Answer:

Transport for NSW is leading the engagement with small businesses along the Parramatta light rail route through their Light Rail Engagement Team and Realise Business, a consortium contracted to run a comprehensive support program for those small businesses. Members of the Small Business Commissioner's team visited all of the small businesses on the route in the second half of 2019, and will check-in with them again in 2020.

Question 11:

How many businesses are affected by the construction of the Parramatta Light Rail?

Answer:

The on-street level business count of businesses along the light rail alignment (including Enabling Works) as at 21 January 2020 is 558 (this excludes current vacancies).

GAMING REVENUE

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Question 12:

Has any money from gaming revenue been allocated to services that deal with the impact of poker machines?

Answer:

This question is more appropriately directed to the Minister for Customer Service as the Minister responsible for the *Gaming Machines Act 2001*.

LOCAL CONTENT: BROKEN HILL PIPELINE/BUSHFIRE REBUILD

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Question 13:

Why could the use of local content be mandated for the Broken Hill pipeline but can't be mandated for the bushfire rebuild?

Answer:

The NSW Government is getting on with the job of assisting communities recover from bushfires, with the cost of clearing homes and businesses destroyed being covered by the Government.

Laing O'Rourke has been engaged to conduct the works and is using local contractors where possible.

The NSW Government supports the steel industry in NSW, an industry that would not exist if it were not for our world class mining sector. For example, I am advised that Dendronium coal mine near Wollongong provides approximately 60 per cent of BlueScope Steel's coking coal requirements.

When it comes to procurement of materials for use in construction projects, Government agencies are expected to ensure best value for taxpayers when engaging contractor services, which can include the procurement of steel.

In relation to the Wentworth to Broken Hill Pipeline, this is a major piece of public infrastructure, supplying up to 37.4 megalitres of raw water per day via a 270 kilometre pipeline from the River Murray near Wentworth to Broken Hill.

An initiative of the NSW State Government, construction began in January 2018 and was completed by the end of that same year.

This project brought immediate benefits to both Wentworth and Broken Hill. Over 150 local people contributed to the pipeline workforce which reached a peak of over 500 workers during construction. Broken Hill and Wentworth based companies supplied almost \$50 million in goods and services to the project.

In mid-2016 the NSW Government announced to Broken Hill residents that it would build the Wentworth to Broken Hill Pipeline and later appointed WaterNSW to deliver the project. Following a tender process, a joint venture of John Holland, MPC Kinetic Group and TRILITY were engaged to design, construct, operate and maintain the pipeline.

I am advised that in August 2017, the Hon Niall Blair, then Minister for Regional Water, as the responsible minister for Water NSW, issued a direction under section 20P of the *State Owned Corporations Act 1989* to Water NSW requiring it to ensure that Australian rolled steel was substantially used in the construction of the pipeline, regardless of where the pipe was manufactured.

The 41 NSW Government agencies, including all principal departments, covered by the Free Trade Agreements are required to abide by provisions that require the covered agencies to treat

the goods, services and suppliers of any of the other 53 participating nations, no less favourably than accorded to Australian goods, services and suppliers. These obligations are given legal affect in NSW through Procurement Board Direction *PBD 2019-05 Enforceable Procurement Provisions*.

I am advised that the application of the Free Trade Agreements to NSW Government entities is managed by the Department of Premier and Cabinet. The list of covered entities is contained in Schedule 1 of the Procurement Board Direction *PBD 2019-05 Enforceable Procurement Provisions*. Water NSW is not currently listed.

PARRAMATTA SPEEDWAY

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Question 14:

Has the Office of the Small Business Commissioner engaged with Parramatta Speedway?

Answer:

The Office of the Small Business Commissioner has been providing support for the Parramatta Speedway convenience store.

WATER NSW BOARD

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Question 15:

Are you going to talk to the board, and will you raise the issue of dividends in relation to residents paying for the Broken Hill pipeline after 2022?

Answer:

I am advised the NSW Government's commitment to fund the efficient costs of the Pipeline for four years runs until 30 June 2023. IPART has stated that this means "consumers have certainty over funding of the Pipeline for the first year of the subsequent review (the 2022 Essential Water price review)" that is for the year 1 July 2022 to 30 June 2023.

I will raise this matter with the appropriate entity, be it Water NSW or otherwise.

TAXATION ADMINISTRATION ACT 1996

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Question 16:

Has Section 26 of the *Taxation Administration Act 1996* been applied in "wage theft cases to date"?

Answer:

Revenue NSW's system does not allow identification of payroll tax customers audited for wage theft.

Revenue NSW can identify that in 42% of audits of registered customers, salary and wages were incorrectly declared for payroll tax. Of these audit cases, 85% had interest imposed and 84% had a penalty tax imposed.

Question 17:

Has Section 47B of the *Taxation Administration Act 1996* been applied against any company or director in a case of underpaid workers?

Answer:

Revenue NSW has issued 79 Director Notices under Section 47B over the last three years. Revenue NSW does not determine whether workers have been underpaid.

FAILURE TO DECLARE PAYROLL TAX

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Question 18:

What is the breakdown of the \$238.3 million recovered in 2018/19 between a failure to declare wages and a failure to declare directors' fees?

Answer:

Based on the wage variances identified through Revenue NSW's audits of registered payroll tax customers, liable contractor payments are the largest under declared at 43.9%. Salary and wages are the second largest at 20.8%, while director fees are the third lowest at 1.2%.

The following table provides the percentage breakdown across all wage categories for the 2018/19 financial year:

2018/19 Payroll Tax registered customer audits where a wage variance was identified	
Wage Category	% of total wage variance
Contractor Payments	43.9%
Salary & Wages	20.8%
Allowances	11.2%
Shares & Options	8.1%
Superannuation	5.2%
Fringe Benefits Tax	5.0%
Bonuses & Commissions	2.9%
Director Fees	1.2%
Termination Payments	1.0%
Apprentice & Trainee Wages	0.7%
Total	100.0%

SMALL BUSINESS COMMISSIONER

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Question 19:

What is the date of the letter from the Minister to Ms Hobbs agreeing the final date of her service?

Answer:

16 December 2019

Question 20:

Did Ms Hobbs use all her medical leave?

Answer:

This is a personal matter specific to Ms Hobbs and therefore in my view it would be inappropriate to comment.

Question 21:

Did she run out of leave and therefore resign?

Answer:

This is a personal matter specific to Ms Hobbs and therefore in my view it would be inappropriate to comment.

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Question 22:

Is there a legal requirement that the cessation of service of the Small Business Commissioner be gazetted?

Answer:

There is no requirement under the *Small Business Act 2013* to publish the vacancy in the Government Gazette.

AMP

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Question 23:

Did the Small Business Commissioner receive a request for mediation from any broker in dispute with AMP?

If so what was the outcome?

Answer:

The Office of the Small Business Commissioner has not received any requests for mediation from any broker in dispute with AMP.

MEDIATION

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Question 24:

What is the breakdown of the nature of disputes mediated by the Small Business Commissioner between those under the *Retail Leases Act 1994* and more general small business disputes?

Answer:

An overall breakdown of 2019 matters indicates:

- 55% *Retail Leases Act 1994*
- 11% General commercial leasing issue
- 34% non-lease small business matter
- <1% relate to franchising arrangements

For Lease Matters:

- 19% to do with rent
- 17% to do with bonds
- 16% to do with termination
- 15% to do with end of lease
- 12% to do with alteration / refurbishment / relocation
- 7% Condition of property
- 6% outgoings

Question 25:

What is the average period for mediation?

Answer:

Mediations are normally set down 3 – 5 weeks from the date of application, but can be shorter (even just a few days) or longer depending on parties' availability.

Question 26:

How many people refuse to participate in mediation?

Answer:

In 2019, 62 mediations were refused across all categories.

ESSENTIAL ENERGY

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Question 27:

What is the geographical breakdown of the 3,053 employees of Essential Energy as at 30 June 2019?

Answer:

Questions that relate to operational matters, such as the location of staffing requirements, should be directed to the Portfolio Minister, the Hon Matthew Kean, and Minister for Energy and Environment.

SYDNEY WATER

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Question 28:

What were the staff numbers for Sydney Water Corporation in 2018 and 2019?

Answer:

This information is publically available in the Sydney Water Corporation Annual Report.

FORESTRY CORPORATION

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Question 29:

What were the staff numbers for the Forestry Corporation in 2018 and 2019?

Answer:

This information is publically available in the Forestry Corporation of NSW Annual Report.

SMALL BUSINESS STRATEGY

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Question 30:

What was the location of the workshops for the consultation on the review of the Small Business Strategy?

Answer:

Four workshops were held in Sydney for the Small Business Strategy 2020 Discussion Paper. Twenty two stakeholders attended.

PROCUREMENT BOARD

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Question 31:

What are the meeting dates for the Procurement Board?

Answer:

There are four scheduled meetings per year. For 2020 these are: 18 March, 27 May, 2 September, 25 November.

SME PROCUREMENT

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Question 32:

What is the breakdown of SME spend for the seven NSW Procurement managed schemes?

Answer:

The estimated % spend with SMEs for the 2018/19 financial year for the seven NSW Procurement managed schemes?

- Audit and Risk Committee Independent Chairs and Members - 100% (1)
- Contingent Workforce - 59%
- Performance and Management Services - 66%
- Subsidence Advisory NSW Independent Assessment (financial assessment services) - 3%
- TAS-Talent Acquisition - 80%
- Contract 333 Lessors Panel (leasing vehicles) - 0%(2)
- Motor Vehicles - 0%(2)

Comments

(1) Independent Chairs and Members scheme is formed by individuals, not firms, so all spend has been classified as SME spend.

(2) All six members of Contract 333 Lessors Panel (leasing vehicles) classify as large enterprises. All automotive manufacturers on the scheme are large enterprises.

Spend information for schemes is estimated / indicative.

Question 33:

What was the SME procurement by categories for the three financial years from 2016/17 to 2018/19?

Answer:

Whole of Government SME Spend			
CATEGORY	FY-2017	FY-2018	FY-2019
Construction	\$3.5 B	\$3.6 B	\$4.1 B
Goods and Services	\$7.6 B	\$7.9 B	\$8.4 B
Total	\$11.0 B	\$11.5 B	\$12.5 B

Note:

- (1) SME supplier identification is based on employee size for the ABN (where available)
- (2) Spend excludes Grants

REVENUE NSW COURT CASES

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Question 34:

What is the plaintiff's claim in *Western Sydney University Early Learning Ltd v Chief Commissioner of State Revenue*?

Answer:

I am advised that the issues in dispute in these proceedings can be summarised into 3 distinct areas:

1. In relation to Section 49 of the *Payroll Tax Administration Act 2007* and Clause 4 of Division 1 of Part 3 of Schedule 2 to the *Payroll Tax Administration Act 2007* whether the plaintiff is a 'school' that 'provides education at or below, but not above, the secondary level of

education'. For the purposes of this exemption there is no issue that the plaintiff carries on the business of the centres other than for the purpose of profit.

2. In relation to Section 48(1)(c) of the *Payroll Tax Administration Act 2007* whether the plaintiff has as its sole or dominant purpose a 'charitable purpose'. If the Court finds that the plaintiff does have a sole or dominant 'charitable purpose' then it needs to consider whether the plaintiff is nevertheless excluded from the exemption because it is an 'educational company' as defined in Section 48(3) of the *Payroll Tax Administration Act 2007*. For that question the following issues will arise:
 - a. Whether the University has a 'controlling interest' in the plaintiff within the meaning of Section 48(4) of the *Payroll Tax Administration Act 2007*.
 - b. Whether the plaintiff "provides, promotes or supports the educational services" of the plaintiff
3. In relation to Section 48(2) of the *Payroll Tax Administration Act 2007* whether, in the event the plaintiff is found to have a sole or dominant charitable purpose and the plaintiff otherwise satisfies Section 48(1)(c), the wages are paid for work of a kind ordinarily performed in connection with that 'charitable purpose' to a person engaged exclusively in that kind of work.

Question 35:

What is the plaintiff's claim in *Wongawilli Coal Pty Limited v Chief Commissioner of State Revenue*?

Answer:

I am advised the Plaintiffs are holders of mining leases and are liable to pay royalties on coal recovered under those leases. On 15 January 2019, the Plaintiffs submitted a request to the Minister for a determination that amounts owed to the Plaintiffs by Gujarat NRE Coke Limited (in liquidation) (Gujarat) for the sale of coal from November 2011 to September 2013, amounting to US\$7,700,000.00 for Wongawilli Coal Pty Ltd, and US \$47,440,609.97 for Wollongong Coal Ltd, were bad debts and therefore allowable deductions within the meaning of the Determination made by the then Minister for Regional NSW, Industry and Trade on 31 December 2008 which related to the method of calculation of the value of coal.

The Plaintiffs argue that this would result in a refund of royalties previously paid for the periods from November 2011 to September 2013 in the amounts of \$1,741,062 for Wongawilli Coal and \$2,045,086 for Wollongong Coal. The Plaintiffs, on the same day, submitted a request to the Chief Commissioner to be relieved from mineral royalties owing from October 2018, up to the amount of the anticipated refund, pending the Ministers Determination. The Chief Commissioner denied this request.

The Plaintiffs filed a Summons and Points of Claim in the Supreme Court, seeking (broadly) the following relief:

- Declaration that the debts owed by Gujarat are allowable deductions within the meaning of the Determination for the purpose of calculating mineral royalties for the periods from November 2018 to August 2019 and/or future royalty period. Alternatively, orders directing the Minister to make such a determination.
- Orders directing the Chief Commissioner to reassess the Plaintiffs as liable to nil royalties for the periods from November 2018 to August 2019 and to refund the royalties paid for that

period in the amounts of \$137,027.71 for Wongawilli Coal and \$2,263,324.19 for Wollongong Coal.

Question 36:

What connection, if any, is there between that case and the fit and proper person test being applied to that company in relation to its eligibility to hold a mining license?

Has Revenue NSW been asked to provide a view in relation to that test and, if asked to do has it done so?

Answer:

A determination about whether a person is fit and proper to hold a mining lease is not made by Revenue NSW. The dispute being agitated in *Wongawilli Coal Pty Limited v Chief Commissioner of State Revenue* is in relation to the method by which the value of coal is determined and the effect on the amount of royalty to be paid on that coal.

Revenue NSW has not been asked to form a view as to whether or not the lessees are fit and proper persons to hold a mining licence under the *Mining Act 1992*.

FIRST HOME BUYERS ASSISTANCE SCHEME

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Question 37:

Of the 20,432 applicants for the First Home Buyers Scheme from July 2017 to December 2019 how many have received each of the different tranches?

Answer:

In the period 01/07/2017 to 31/12/2019;

- The number of applications for the First Home Buyer Assistance Scheme where applicants received a full exemption was 58,271
- The total dollar value of the exemptions was \$834.5 million
- The number of applications for the First Home Buyer Assistance Scheme where applicants received a concession was 21,812
- The total dollar value of the concessions was \$284.8 million

CALL CENTRE TRANSITION TO SERVICE NSW

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Question 38:

How many people will be performing identical work but being paid differently [i.e under different awards]?

Answer:

Exact staff numbers will not be confirmed until circa end April 2020. At this stage we expect that 199 full time equivalent positions will transition to Service NSW. Staff who move from Revenue NSW to Service NSW will have their salaries grandfathered as part of the transition arrangements.

Question 39:

When will the transition be resolved?

Answer:

The Transition Management Plan is currently in a staff consultation period, the decision will be finalised and advised to staff as soon as possible, it is anticipated this will be in April 2020.

Question 40:

Under which award is the consultation with staff taking place?

Answer:

There are a number of Awards that set out consultation requirements. In this case, the staff will be transferred using provisions of the *Government Sector Employment Act 2013*. This Act requires us to consult with staff about the proposed transfer.

PAYROLL TAX COMPLIANCE ACTIVITY

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Question 41:

Did the largest payroll tax compliance case in 2018/19 result from Revenue NSW's compliance program or for from self-reporting of an error by the customer?

Answer:

The largest payroll tax compliance case for \$6,719,068.00 in 2018/19 was a phoenix matter identified by Revenue NSW's compliance program. The customer did not disclose a liability prior to the commencement of the investigation.

Market interest of \$239,735.00 and penalty tax of \$1,295,867 were imposed.

TAXATION ADMINISTRATION ACT 1996

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Question 42:

In the past 3 years, how many directors or former directors have actions been taken against using Section 476B of the *Taxation Administration Act 1996*?

Answer:

Revenue NSW has issued 79 Director Notices under Section 47B over the last three years.

Question 43:

In the past 3 years, how much penalty tax has been collected under Section 26 of the *Taxation Administration Act 1996*?

Answer:

Penalty tax collected in the past 3 years has been:

2017/18 - \$20,718,828

2018/19 - \$20,886,885

2019/20 (as of 1 March 2020) - \$11,493,114

Question 44:

How many prosecutions have taken place in the last 3 years under Part 3 Section 10?

Answer:

There have been no prosecutions under Part 3 Section 10.

SPECIAL TAX ARRANGEMENTS

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Question 45:

Have any special tax arrangements under the *Taxation Administration Act 1996* been entered into in the last year?

How many such arrangements, if any, are currently active?

For each of these arrangements, if any:

- when will it cease to be active or expire;
- what is the arrangement; and
- why was it entered into?

Answer:

Separate special tax arrangements were in place for 12 payroll tax customers (a mix of individual and grouped businesses) during the 2018/19 year. These companies were drought affected and were provided with relief by way of a tax deferral. Customers weren't required to make monthly payments and their annual liability was assessed when they lodged their 2019 annual reconciliation. As at 30 June 2019, there had been \$1.76 million in payroll tax deferred for these businesses. Two customers paid at the time of lodging the 2019 annual reconciliation and 10 customers were placed on instalment plans. There is no legislative requirement to publish these arrangements.

Special tax arrangements are in place for insurance duty customers. All registered insurance duty customers are subject to the arrangement, which allows customers to lodge an annual return in lieu of a return lodged each month as required by Section 253 of the *Duties Act 1997*. As at 17 March 2020, there are currently 269 insurance duty customers with this arrangement. There is no expiry date provided, and there is no legislative requirement to publish these arrangements.

There are separate special tax arrangements in place for individual insurance duty customers. These arrangements are provided where a small business declaration was not provided to the insurer at the time an insurance policy was effected or renewed. Duty was subsequently paid to Revenue NSW, which would have otherwise been exempt had the declaration been received. The special tax arrangement allows insurers to offset the duty paid against a subsequent period rather than

approach the Chief Commissioner for a reassessment each time. Currently there are 4 customers that have an active special tax arrangement allowing this. These arrangements are provided for a 3 year period, and there is no legislative requirement to publish these arrangements.

GIG ECONOMY

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Question 46:

Where are we up to with the three investigations related to the gig economy mentioned at the previous estimates hearing?

Answer:

There are currently 3 ongoing payroll tax investigations involving 2 customers operating in the gig economy. Revenue NSW has determined the treatment of workers for one of these customers and is currently considering the customer's arguments against our decision. For the second customer, Revenue NSW is currently determining the treatment of the workers.

FOODORA

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Question 47:

Are the former directors of Foodora being pursued for tax debt?

Answer:

Under Part 9 Division 3 of the *Taxation Administration Act 1996*, Revenue NSW is unable to disclose information about the specific affairs of Foodora and its former directors.

COAL ROYALTIES

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Question 48:

Who owes the \$9 million in coal royalties debt?

Answer:

Under Part 9 Division 3 of the *Taxation Administration Act 1996*, Revenue NSW is unable to disclose information about specific taxpayers. The top 5 customer debts for coal royalties are:

1. \$5,702,544.43
2. \$2,040,916.50
3. \$1,052,063.96
4. \$626,316.08
5. \$18,385.15

PASSENGER SERVICES LEVY

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Question 49:

How much has been collected in passenger service levy since 30 June 2019 from booking service providers and form taxi service providers?

Answer:

Total passenger service levy collected as at 5 March 2020 is \$139,795,452.80.

Levy Paid	2017/18	2018/19	2019/20	Total
Taxi Service Providers	\$1,930,686.38	\$6,146,654	\$3,167,921	\$11,245,261.38
Booking Service Providers	\$12,522,233.42	\$68,305,381	\$47,722,577	\$128,550,191.42
Total	\$14,452,919.80	\$74,452,035	\$50,890,498	\$139,795,452.80

REVENUE DEBT

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Question 50:

As of 5 March 2020 what is the value of outstanding:

- land tax;
- payroll tax;
- royalties?

Answer:

Land tax debt as at 5 March 2020 was \$1,061,014,417

Payroll tax debt as at 5 March 2020 was \$254,108,279.

Mineral royalties debt as at 5 March 2020 was \$9,697,087.

SMALL BUSINESS STRATEGY

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Question 51:

How many workshop sessions were held as part of the consultation for the Small Business Strategy review?

Answer:

The Small Business Strategy 2020 Discussion Paper consultation held 4 workshops with 22 attendees. Individual meetings were also held with 28 stakeholders.

Question 52:

What is the overlap, if any, between the 28 people who took part in consultation workshops and the 12 people who made submissions to the review?

Answer:

As at 19 March 2020, the Small Business Strategy 2020 Discussion Paper received 33 submissions. Twelve of these responses were received through 'Have Your Say' consultation using survey monkey. Four stakeholders submitted a response and attended a workshop.