

## PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Friday, 29 October 2021

### FINANCE AND SMALL BUSINESS

#### Questions on Notice

**1. Notifying businesses of changes to eligibility criteria for the COVID-19 business supports**  
(*Transcript p. 11*)

When changes were made to the eligibility criteria for the 2021 COVID-19 business grant, JobSaver and the Micro-business Grant

- (a) how many businesses were informed about their right to reapply?
- (b) how many of them did reapply?
- (c) how many of them were then successful?

**Answer:**

Multiple changes were made to the COVID-19 Business Grant, JobSaver and the Micro-business Grant in response to the evolving restrictions. The NSW Government utilised different channels to communicate program changes to affected businesses including:

- issuing media releases
- updating the Service NSW website
- updating Service NSW knowledge articles to circulate to front line staff
- promoting changes to peak accounting bodies so they could share with their members
- proactively contacting affected customers, and
- sending electronic direct mail to reach the wider business community.

These channels were successful in communicating changes. As an example, after using these promotional channels, 625 businesses successfully applied for JobSaver following its expansion to businesses with up to \$250 million annual turnover.

**2. Stopping payments under JobSaver due to issues identified in assessment**  
(*Transcript p. 14*)

How many applicants for JobSaver had payments stopped due to the identification of inaccuracies in during the assessment process?

**Answer:**

As at 11 November 2021, Revenue NSW had requested Service NSW stop payment for 2,704 JobSaver applicants due either to the applicant having been overpaid or to instances of potential fraud. This represents 1.3% of all applicants for JobSaver.

### **3. Payroll tax measures for COVID-19 support from June 2021**

In addition to matters outlined by the Chief Commissioner in the hearing (pages 20-21) are there any further details about the payroll tax relief measures?

#### **Answer:**

##### Reduction in payroll tax liability

The 50% reduction in payroll tax liability for eligible customers applies to the 2021/22 financial year and the number of customers who benefit will not be known until after customers lodge their 2022 Annual Reconciliation on 28 July 2022.

As at 30 September 2021, 24,973 customers had received a 25% reduction in their payroll tax liability for the 2020/21 financial year, to the value of \$374.8 million.

##### Number of deferrals

As at 30 September 2021:

- approximately 20% of customers required to lodge a 2021 Annual Reconciliation had taken up the option of deferring lodgement, and
- of the approximately 24,500 customers required to make a monthly payment, almost 48% had chosen to take up the deferral option.

##### Existing Stimulus Payment Plans

- As at 30 September 2021, there were 1,404 customers on an extended payment plan. As at 9 November 2021, that number had reduced to 356 customers.
- These payment plans were established between 26 October and 28 November 2020 and provided customers with an outstanding liability for the 2020 financial year, and/or July, August and September 2020 return periods, the option to enter into a long term instalment plan of up to 24 months. The first 12 months of that plan was interest free.

##### New Support Payment Plans

- From 13 December 2021, customers will have the option of entering into a new 12 month interest free instalment plan for any deferred amounts from the 2021 Annual Reconciliation and/or the July through to December 2021 monthly return periods. The option for customers to enter into this new plan will be available until 28 February 2022.
- Information as to the number of customers who choose to enter into a Support Payment Plan arrangement will be known in early March 2022.
- Any customer with an existing Stimulus Payment Plan that does not end prior to 13 December 2021, will have the option of transitioning any outstanding amount onto a new Support Payment Plan. A team within Revenue NSW is currently contacting each of these customers (approximately 140 as at 9 November 2021), to discuss options.

### 3A. Land tax relief applications rejected

*(Transcript p. 24)*

How many applications for land tax relief under the July-December 2021 provisions have been rejected? Include information on the most common reasons.

**Answer:**

As at 11 November 2021, 712 applications have been rejected. The most common reasons include:

- duplicate applications
- withdrawal of the application by the applicant, in favour of applying for alternate relief
- the landlord did not provide relief to the tenant, or
- the applicant does not pay land tax.

### 4. Fines for breach of Public Health Orders

*(Transcript p. 27)*

- (a) Of fines given for breaches of Public Health Orders since 25 June 2021 how many were for residents in the 12 LGAs of concern?
- (b) By LGA, how much has been collected in fines for PHOs?
- (c) How many hardship applications have been received in relation to these fines?

**Answer:**

During the Budget Estimates hearing on 29 October 2021, data was provided for the period 25 June 2021 to 17 October 2021.

The data below has been updated for the period 25 June 2021 to 31 October 2021.

- (a) NSW - 52,552 fines issued to 41,973 individuals  
LGAs of concern - 23,906 fines issued to 18,441 individuals
- (b) NSW - \$6.58 million resolved (including those currently on a payment plan or WDO)  
LGAs of concern - \$2.87 million resolved (including those currently on a payment plan or WDO).
- (c) No Hardship Review Board applications have been received in relation to these fines.

### 5. Service NSW Hardship Pathway/Hardship Review Panel

*(Transcript p. 27-28)*

Please provide information on the outcome of applications for the COVID-19 business support grants made through the Service NSW Hardship Pathway, including those considered by the Hardship Review Panel, broken down by grant type.

**Answer:** As at 24 November 2021 there have been 1,011 applications through the Service NSW Hardship Pathway of which 871 had been referred to Revenue NSW, including JobSaver - 153; 2021 COVID-19 Business Grant – 553; and COVID-19 Micro-Business Grant – 153.

373 are still under review including recent applications; 82 are awaiting further information from the applicant; 363 have been finalised and found ineligible as hardship applications; 22 are still under consideration by the Hardship Review Panel and 5 have been recommended to be approved by the Panel.

#### **6. Review of the Faster Payments Policy**

*(Transcript p. 35-36)*

- (a) Who is doing the review?
- (b) Is it an independent review?
- (c) What are the review's terms of reference?
- (d) When is the review meant to be finished?
- (e) And to whom will the report of the review be given?

**Answer:** NSW Treasury is conducting the review. Draft terms of reference are currently being considered by internal stakeholders, with further details of the review to be published on the Treasury website in due course.

#### **7. Event Saver Fund**

*(Transcript p. 36)*

When is the Event Saver Fund going to be established?

**Answer:**

This question is better directed to the Minister for Jobs, Investment, Tourism and Western Sydney, Minister for Trade and Industry. .

#### **8. TAHE**

*(Transcript p. 36-42)*

- (a) Did Treasury advise Minister Tudehope as a Shareholder Minister for TAHE to agree to a rate of return of 1 to 3 per cent on equity contributions to TAHE?
- (b) What is the average rate of return for all State Owned Corporations with an agreement?
- (c) Did Treasury advise Minister Tudehope as a Shareholder Minister for TAHE to agree to a rate of return from the Transport Asset Holding Entity that was half of what other State-owned corporations have?
- (d) Is the value of the land tax exemption given to TAHE \$162 million?
- (e) Does the exemption for land tax given to TAHE breach the policy on tax equivalency between SOCs and private companies?

**Answer:**

- (a) TAHE's pricing framework recovers depreciation and a 1.5% return on assets. As a startup business, TAHE is forecasting modest shareholder returns this year, and these are expected to grow over time.
- (b) Returns vary significantly between the SOCs and over time. Treasury's Commercial Policy Framework provides flexibility to Shareholders on setting dividend expectations for SOCs.
- (c) TAHE's financial performance targets and returns to Government are being considered by the Shareholding Ministers as part of the SCI process. Return targets for State-owned corporations are established on a business-specific basis, not by reference to other SOCs.
- (d) TAHE's exemption from land tax is for the portion of TAHE's land portfolio that is not fully surveyed or valued, so the tax implications cannot be determined.
- (e) No. The land tax exemption is a transitional arrangement and Treasury will work with TAHE on future arrangements for land tax. TAHE is already required to pay land tax on land that is used for non-railway purposes and land leased or licensed by TAHE to a third party other than a public transport agency.

**9. Surcharge Land Tax and Discretionary Funds**

*(Transcript p. 47)*

- (a) How many discretionary trusts were amended to avoid liability for the surcharge land tax?
- (b) How many discretionary trusts were not amended and remain liable for surcharge land tax?

**Answer:**

- (a) 2,677
- (b) 2,853

**10. Surcharge Land Tax and Surcharge Purchaser Duty**

*(Transcript p. 48)*

- (a) How much has been collected in Surcharge Land Tax?
- (b) How much has been collected in Surcharge Purchaser Duty?

**Answer:**

- (a) In 2020/21, \$14.2 million was collected in Surcharge Land Tax
- (b) In 2020/21, \$118.8 million was collected in Surcharge Purchaser Duty.

**11. Electric vehicles**

*(Transcript p. 49)*

Has an electric vehicle been bought for Treasurer Kean?

**Answer:**

**12.** This question is better directed to the Treasurer. **Aboriginal Procurement Policy**

Please provide breakdown by cluster for addressable spend targets.

**Answer:**

Data on addressable spend targets broken down by cluster is published on [buy.nsw](http://buy.nsw)