

Budget Estimates 2019

Questions on Notice

Finance and Small Business

GIG ECONOMY

Page 2 of Transcript

Question:

Have we received the outstanding payroll tax that is owing to us from Foodora?

Answer:

No money has been received.

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Question:

What is the total cost that Revenue NSW has incurred in investigating Foodora and pursuing the debt (of outstanding payroll tax)?

Answer:

Costs are not attributed to individual customer compliance investigations.

In terms of the amount spent pursuing the debt, it is estimated at \$600. No legal fees or subsequent costs were incurred due to the business being in administration prior to recovery activities commencing.

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Question:

How many active investigations do you have underway into organisations in the gig economy?

Answer:

Revenue NSW currently has three active investigations underway relating to the gig economy.

SAFE DESIGN DOCUMENTS

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Question:

Was the actual cost of the documents \$250,000; and, secondly, have either of them come into effect since 28 March last year?

Answer:

This question would be more appropriately directed to the Minister for Customer Service or the Secretary of the Customer Service Cluster. NSW Public Sector Safety initiatives are managed by Safe Work, an agency within the Customer Service Cluster.

Question:

Does your department's policy set of documents for work health and safety include safe design documentation similar to that?

Answer:

NSW Treasury has a Work Health and Safety (WHS) Policy and supporting policies. NSW Treasury is also an active member of the sector wide WHS Implementation group. As part of NSW Treasury's current WHS Action Plan, it has finalised a review of its WHS System (overarching WHS System and supporting policies). NSW Treasury is currently consulting with the workforce as part of its implementation

POINT OF CONSUMPTION REVENUE

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Question:

Was the figure for stand-alone point of consumption tax revenue published separately? Will it be published separately from now on?

Answer:

The point of consumption tax and betting tax revenues are reported in aggregate in the single 'Racing' line in the 2019-20 NSW Budget (BP1 Table 4.4). Any changes to presentation of State revenues will be considered during preparation of the 2020-21 Budget.

Point of consumption tax revenue forecasts as at the 2019-20 Budget were made available as part of the Standing Order 52 order for papers.

Question:

How many individuals in NSW placed a bet online in the last financial year? And in the last 12 months?

Answer:

This question would be more appropriately directed to the Minister for Customer Service.

SMALL BUSINESS EMPLOYMENT INCENTIVE SCHEME

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Question:

What is the actual vs budgeted amount spent through the small business employment incentive scheme? How many businesses have been allocated a small business grant since 2015?

Answer:

Between 1 July 2015 and 30 June 2019, \$19.2 million of the \$23.5 million allocated for the Small Business Grant had been paid to eligible businesses.

5,070 individual businesses have received a Small Business Grant since the scheme was introduced.

JOBS ACTION PLAN

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Question:

Do you know how much was paid in the last financial year?

Answer:

For 2018/19, a total of \$61.1 million was paid under the Jobs Action Plan.

Question:

How many audits did Revenue NSW do last year?

Answer:

In 2018/19, Revenue NSW completed 104 audits involving Jobs Action Plan payments.

Question:

Did you reduce payment approvals for 2018-19?

Answer:

Yes. In 2018/19, 51% of all anniversary claims lodged by customers were declined as the eligibility criteria had not been met. This compares to 46% for 2017/18.

Question:

Do you use an intelligence-based approach when undertaking compliance activity in respect to the Jobs Action Plan?

Answer:

When a customer lodges a Jobs Action Plan claim, a check is undertaken to see how many anniversary claims have been lodged since their registration. If the total number exceeds 300 the customer is referred for audit.

Where a customer has less than 300 claims, the following checks are undertaken to determine the eligibility of the claim:

- a review of the claim details to ensure it meets the eligibility requirements and that the requested payment amount is correct,
- checks to ensure that the customer is up to date with their payroll tax obligations and that the rebate payable does not exceed the customer's total tax payable for that financial year,
- that there is no compliance activity on the customer's payroll tax account, and
- check on current and prior year annual reconciliations to confirm an increase in total taxable wages.

If any checks identify ineligibility, then the claim is either rejected or further information requested.

Question:

How many staff do you have doing compliance with the Jobs Action Plan?

Answer:

There are four compliance officers specifically working on Jobs Action Plan cases. A customer may also be audited for the Jobs Action Plan during a payroll tax audit where they have lodged claims for the scheme.

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Question:

Is there a business known as client 650 to Revenue NSW? Is it AMP?

Answer:

To protect the privacy of customer information provided externally, a reference number is assigned to each row of data. The number is not directly related to the customer but allows Revenue NSW to identify the customer should there be any follow up questions.

Question:

As of May 2017, had client 650 claimed \$13 million of \$6000 worth of rebates?

Answer:

The *Taxation Administration Act 1996* prohibits the disclosure of information obtained under the administration of a taxation law (section 81), except in certain circumstances such as where a taxpayer consents to the disclosure, the disclosure is in accordance with another Act, or the information would not, or would not be likely, to identify a taxpayer. In addition, disclosure may occur following an access application under section 9 of the Government Information (Public Access) Act 2009 and an assessment of public interest considerations. Thus, subject to the above circumstances where disclosure of taxpayer information is permitted, in general Revenue NSW is not authorised to disclose compliance activity relating to specific taxpayers.

Question:

Is there a business known as client 4473 to Revenue NSW?

Answer:

To protect the privacy of customer information provided externally, a reference number is assigned to each row of data. The number is not directly related to the customer but allows Revenue NSW to identify the customer should there be any follow up questions.

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Question

Have you sought advice as to how the Job Action Plan money has been distributed?

Answer:

The location of the registered address of the business may have little to no relationship to the location of the positions.

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Question:

Have you sought any advice or analysis on the effects of directing the Jobs Action Plan to businesses of fewer than 50 employees?

Answer:

Treasury provided advice and analysis in 2016 regarding increasing the rebate available under the Jobs Action Plan to \$6,000 for each new full-time equivalent (FTE position) and introducing an eligibility requirement that restricted the scheme to businesses with 50 or fewer FTE employees.

PAYROLL TAX INVESTIGATIONS

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Question:

Where are we up to in terms of finding out if 7-Eleven owe NSW government any money?

Answer:

Revenue NSW's review identified that most franchises were under the payroll tax threshold. The portion of Wage Repayment Program payments subject to payroll tax was \$6.2 million. This related to a small number of franchisees, who were found to be liable due to the grouping provisions contained in the *Payroll Tax Act 2007*.

The total payroll tax due for the 2012 to 2018 period was \$339,971, from 15 groups comprising of 26 entities in total. Payment was due 17 September 2019.

Question:

How many companies have you investigated for allegations of wage theft in the past 12 months?

Answer:

Revenue NSW is unable to provide the number of businesses investigated for allegations of "wage theft" over the last 12 months as it does not record the reason for audit at this level.

SUBJECT TO PARLIAMENTARY PRIVILEGE

However, several industries have been mentioned in recent media where it has been claimed workers have been underpaid. A number of these businesses are cafes, restaurants and/or franchises. Where a significant underpayment has been reported across several years, Revenue NSW will investigate to ascertain the impact for payroll tax.

Typically, the nature of the businesses under scrutiny involve a small number of employees and most are usually under the NSW threshold. A liability will only arise where an entity operates a number of separate businesses, or the business is part of a group.

Revenue NSW uses data analytics and risk assessment processes to identify customers that may be non-compliant in their payroll tax obligations. Where a business operating under a franchise arrangement is identified as potentially reaching the payroll tax threshold, Revenue NSW reviews the franchising arrangements to determine if a liability exists.

Question:

Your view is that you cannot say because you are subject to tax secrecy provisions?

Answer:

The *Taxation Administration Act 1996* prohibits the disclosure of information obtained under the administration of a taxation law (section 81), except in certain circumstances such as where a taxpayer consents to the disclosure, the disclosure is in accordance with another Act, or the information would not, or would not be likely, to identify a taxpayer. In addition, disclosure may occur following an access application under section 9 of the Government Information (Public Access) Act 2009 and an assessment of public interest considerations. Thus, subject to the above circumstances where disclosure of taxpayer information is permitted, in general Revenue NSW is not authorised to disclose compliance activity relating to specific taxpayers.

Question:

How many people in Revenue NSW are investigating wage theft/working in payroll tax compliance?

Answer:

As at 30 June 2019 there were 148.22 FTE in payroll tax compliance.

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Question:

Does Revenue NSW help iCare collect its workers comp premiums?

Answer:

Revenue NSW does not collect premiums on behalf of iCare.

WHISTLEBLOWER PROTECTIONS

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Question:

Do you support whistleblower protections in the supply chain in the franchise code? What is the New South Wales Government's attitude to this?

Answer:

The Small Business Commission advocates for reform to provide franchisees with substantially increased protections from improper franchisor conduct – including in submissions to the Parliamentary Inquiry into the operation and effectiveness of the Franchising Code of Conduct. As *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019* (Cth) extends and consolidates the whistleblower regime available to corporations and their employees, it is the view of the Franchising Taskforce, expressed in their recent issues paper, that this affords adequate protection to whistleblowers in the franchising sector.

In addition, a franchisee trading in NSW may engage with the following agencies:

- The ACCC, in relation to rights and obligations under the *Franchising Code of Conduct*
- Fair Trading NSW, to lodge a complaint regarding compliance with the Australian Consumer Law
- ASBFEO or NSW SBC, in relation to dispute resolution for disputes involving the franchisor

REDEVELOPMENT OF PORT BOTANY

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Question:

What are the potential opportunities for new terminals in the redevelopment of Port Botany?

Answer:

Port Authority of NSW is investigating the potential for a third cruise terminal for Sydney at Port Botany.

WATERNSW DIVIDENDS

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Question:

Why did WaterNSW dividends spike in 2017-18?

Answer:

The Board of WaterNSW approved an increased dividend for 2017-18. The Board's decision reflects WaterNSW's targeting of an efficient capital structure, in adherence to the *Capital Structure Policy for Government Businesses*.

PRIVACY BREACH

Page 42 of Transcript

Question:

When did you inform the Secretary of the department about the privacy breach?

Answer:

The Deputy Secretary, Revenue NSW informed the then Secretary, Department of Finance, Services and Innovation of the breach, by phone, on or about 14 November 2018.

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Question:

Was it the Secretary of the Department who raised the privacy breach with either DPC or the Minister?

Answer:

Revenue NSW is not aware of whether the then Secretary, Department of Finance, Services and Innovation raised the breach with the then Minister for Finance, Services and Property or the Department of Premier and Cabinet.

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Question:

What did the Privacy Commissioner say to you about the privacy breach on 11 February?

Answer:

The Information and Privacy Commission (the Commission) emailed Revenue NSW on 11 February 2019 with a view to discussing the matters reported in the media concerning Mr Daley. Revenue NSW referred the Commission to the Deputy Secretary's correspondence of 22 November 2018 notifying the Commission of the breach, action taken by Revenue NSW to contain the breach and improvements to procedures to prevent such a breach in the future.

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Question:

Did you or the Secretary seek any advice from DPC in relation to the privacy breach and the caretaker period at any point in the process?

Answer:

Revenue NSW did not seek advice from the Department of Premier and Cabinet on this matter. Revenue NSW is not aware of whether the then Secretary, Department of Finance, Services and Innovation sought advice from the Department of Premier and Cabinet on this matter.

Question:

Can you confirm whether the Secretary had a discussion with the Minister or DPC in relation to the privacy breach?

Answer:

Revenue NSW confirms that it is not aware of whether the then Secretary, Department of Finance, Services and Innovation had a discussion with the then Minister for Finance, Services and Property or the Department of Premier and Cabinet in relation to this matter.

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Question:

Did the Privacy Commissioner flag that individuals caught in a privacy breach had to be informed their personal information was given to a third party?

Answer:

Revenue NSW has not received any advice from the Information and Privacy Commission that it reconsider its decision not to notify those persons whose privacy had been breached.

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Question:

Did you receive legal advice while going through the process of the privacy breach?

Answer:

Revenue NSW contacted the Department of Finance, Services and Innovation Legal Unit on 14 November 2019 to discuss the process for management of the data breach in accordance with the Information and Privacy Commission's Data Breach Policy 2016.

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Question:

Was there a chronology of events in relation to the privacy breach?

Answer:

A chronology was constructed on 14 November 2018, covering the initial request from the office of the then Minister for Finance, Services and Property for certain data, the provision of the data (including the spreadsheet containing personal information of a number of motorists) to the Minister's office, the subsequent request from the Minister's office for the data to be updated, the detection of the breach, and interactions between the Correspondence and Briefings Unit and the Minister's office concerning the use of the data. Subsequent interactions with the Chief of Staff of the Minister's office concerning the handling and destruction of the data were also noted.

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Question:

What were the interactions between Revenue, and DPC and/or PO in relation to the privacy breach? What date was the first interaction?

Answer:

There was no interaction between Revenue NSW and the Department of Premier and Cabinet or the Premier's Office on this matter.

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Question:

When was the statement referred to on page 55 created?

Answer:

The Deputy Secretary, Revenue NSW received a copy of the note on or about 18 February 2019.

Question:

Was the statement referred to on page 55 circulated to anyone in the Government?

Answer:

The note was submitted to the Department of Finance, Services and Innovation Ministerial Services team.

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Question:

Are there briefing notes in relation to the privacy breach and can they be provided to the committee?

Answer:

Revenue NSW did not provide briefing notes to the then Minister for Finance, Services and Property in relation to this matter.

Questions on Notice 0459, 0475, 0168 and 0543 were asked of the then Minister for Finance, Services and Property on 6 June 2019, 11 June 2019 and 18 June 2019 respectively in relation to the breach. Responses have been published on the NSW Parliament website.

PREQUALIFICATION PANELS

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Question:

Do you manage the prequalification framework process in respect to—is it 17 panels?

Answer:

NSW Procurement manages 13 whole of government panel contracts and seven whole of government pre-qualification schemes. The remaining whole of government panel contracts and pre-qualification schemes are managed by other accredited clusters and agencies across government.

PREQUALIFICATION OF ABORIGINAL BUSINESSES

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Question:

Where were the workshops held to assist Aboriginal businesses with prequalification? And how many people attended?

Answer:

On 19 and 26 February 2019, two information events were held on the Aboriginal Procurement Policy (APP) and the Aboriginal Participation in Construction (APIC) policy at the National Centre for Indigenous Excellence in Redfern. The events were attended by approximately 100 representatives from industry and government. A preliminary informal policy review session was held with industry representatives prior to each event and was attended by approximately 20 Aboriginal business owners.

An APIC policy industry review (morning) session and an APP industry review (afternoon) session were held on the 10 April 2019 at the International Convention Centre Sydney.

The APIC policy industry review session had approximately 40 attendees and approximately 30 industry attendees.

The APP industry review session had approximately 40 attendees and approximately 35 industry attendees.

FTE

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Question:

Are you able to give an equivalent breakdown of figures from the 17/18 financial year (please see page 61 for this financial year)?

Answer:

2017/18 Full Time Equivalent (FTE) - 1,420.6

Question:

How many FTE's were there in Revenue NSW the last three financial years (18/19, 17/18, 16/17)?

Answer:

2016/17 FTE - 1,359.6

2017/18 FTE - 1,420.6

2018/19 FTE - 1 368.6

REVENUE NSW CONTACT CENTRES

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Question:

How many people work in call centres in Maitland, Lithgow and Gosford?

Answer:

As at 5 September 2019, the total number of people working in the Collection Centre is a headcount of 338 and 275 Full Time Equivalent (FTE) positions. This is made up of staff at:

Gosford - 77 headcount and 60 FTE

Lithgow - 126 headcount and 101.6 FTE

Maitland - 135 headcount and 113.45 FTE

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Question:

In the call centres, how many incidents of non-compliance with the *Fines Act 1996* were reported and how many complaints of non-compliance were received 'the last few years'?

Answer:

Since 2017 to September 2019, there have not been any issues of non-compliance with the *Fines Act 1996*.

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Question:

What KPI's are workers subject to in relation to debt collection (in the call centres referred to on page 61)

Answer:

For all customer contacts relating to Fines, the aim of the Collection Centre is to provide a quality service that enables the customer to access resolution options that are best suited to their circumstances. This may include paying the fine, seeking a review, electing to go to court or entering into a payment plan.

For individual staff, the KPIs are contained within performance development plans which are set for a 12 month period, namely:

- Quality (measured from a customer, business and compliance perspective) 95%
- Resolution rate (note that this applies to enforced and debt interactions only) 70% (i.e. 70% of customers are able to resolve their debt in response to the appropriate options negotiated with staff)
- Unplanned leave less than 8 days.

There are other corporate level KPI's that staff contribute to.

USE OF DEBT PARTNERS AND CREDIT DATABASES

Question:

Which debt partners does Revenue NSW use and how many are there?

Answer:

The private debt collection agencies currently contracted to provide fines debt recovery services are:

- Milton Graham (previously trading as Dun & Bradstreet)
- ARL (Australian Recoveries Ltd)
- NCML
- Baycorp
- Recovery Corp

Question:

How are debt partners paid and do they take a specific margin?

Answer:

Agencies are paid an agreed fee for each case referred to them. The fee is based on the nature of the debt and the type of recovery services that will be provided by the agency in respect of that debt.

Question:

How much did Revenue NSW spend on debt partners last financial year?

Answer:

\$759,065.85

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Question:

Do you access private credit databases? Which ones?

Answer:

Two - Illion (formerly Dun & Bradstreet) and Equifax (previously Veda Advantage).

Question:

Does Revenue NSW provide any information into private credit databases?

Answer:

No

REVENUE NSW COMPLIANCE

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Question:

What is the current breakdown of compliance units (see page 67 for context) and funding received for each unit?

Answer:

Compliance staffing numbers calculated as at 30 June 2019:

Payroll Tax Compliance - 148.22 FTE

Returns Compliance (health insurance levy, insurance duty and mineral royalties) - 12 FTE

Land Tax Compliance - 10.8 FTE

Parking Space Levy Compliance - 1 FTE

Landholder Duty - 13 FTE

Electronic Duties Return governance - 9 FTE

Duties and First Home Buyer Audit - 7 FTE

Duties Investigation - 7 FTE

Surcharge Purchaser Duty Compliance - 4 FTE

Question:

Equally, you also gave us recurrent funding received and revenue identified by unit as well, which was also very helpful. If we can get that on notice as well that will be very useful.

Answer:

Payroll Tax Compliance Recurrent Funding (including on costs) - \$17.6 million

Payroll Tax Compliance Revenue Identified - \$238.3 million

Land Tax Compliance Recurrent Funding (including on costs) - \$1.09 million

Land Tax Compliance Revenue Identified - \$195.73 million

Duties Compliance Recurrent Funding - \$3.2 million

Duties Compliance Revenue Identified - \$74.9 million

PAYROLL TAX IN NSW

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Question:

How much payroll tax is currently outstanding in NSW?

Answer:

\$139,017,300 as at 30 June 2019.

FINES IN NSW

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Question:

How much did Revenue collect in fines last year and how many people it was from?

Answer:

In 2018/19, Revenue NSW collected \$446,086,273 in fines from 1,872,583 penalty notices. Both individuals and organisations can receive one or more penalty notices. Revenue NSW's fines system operates on a Penalty Notice basis, not a customer basis. This means that the actual number of 'people' that paid a fine is unable to be retrieved.

It should be noted that Penalty Notices and particularly Enforcement Orders, that have been issued in a previous year may not have been paid until 2018/19. Also, a number of fine recipients are currently paying off their fines. These fines may have been issued in previous years.

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Question:

What are the trend numbers the last three financial years (please see page 69 for context)?

Answer:

2016/17:

Number of penalty notices issued - 3,029,311

Face value - \$768,506,419

Number of penalty notices enforced - 985,268

Face value - \$278,200,833

2017/18:

Number of penalty notices issued - 3,098,548

Face value - \$789,823,610

Number of penalty notices enforced - 1,028,334

Face value - \$290,204,137

2018/19:

Number of penalty notices issued - 3,005,524

Face value - \$780,144,221

Number of penalty notices enforced - 1,000,946

Face value - \$283,655,779

FINES DEBT

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Question:

Do you have a reason why there was an increase in write-offs of fine debt last year?

Answer:

There was an increase in fines debt write-offs in 2017/18 following the introduction of machine learning to identify vulnerable customers and consequently direct them down a non-finance resolution path such as the Work and Development Order program. Revenue NSW also reviewed its write-off practices to more appropriately deal with doubtful debt.

Question:

How many additional fees were imposed last year because a person failed to pay a debt by the due date?

Answer:

Enforcement fees - 978,401 transactions. The fee is \$65, except where the individual is classed as a juvenile and the fee is \$25.

Garnishee order fees - 43,733 transactions. The fee is \$65.

Charge on land fees - 72 transactions. The fee is \$65.

Roads and Maritime Services (RMS) Sanction fees - 444,741 transactions. The fee is \$40.

Question:

What is the monetary value of the additional fees raised by applying the additional fees?

Answer:

\$83,568,883.90

Question:

How many people were suspended? And their licences?

Answer:

Sanction Type:

Customer Business Restriction (CBR)* - Sanctions 87,133; Customers 82,633

Fleet** CBR Only - Sanctions 8,814; Customers 6,781

Fleet Registration - Sanctions 15,511; Customers 11,580

Licence Suspension - Sanctions 283,250; Customers 228,520

Rego Cancel - Sanctions 51,996; Customers 44,995

NB: Customers could have had multiple sanctions imposed during the year

* Customer Business Restriction = Ability to do business terminated

** Fleet refers to corporate vehicle registration

Question:

How many registrations were cancelled?

Answer:

Rego Cancel - Sanctions 51,996; Customers 44,995

Question:

How many peoples' ability to do business was terminated?

Answer:

Customer Business Restriction (CBR)* - Sanctions 87,133; Customers 82,633

* Customer Business Restriction = Ability to do business terminated

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Question:

Do you have data on how long a person's ability to do business with RMS is suspended for?

Answer:

A restriction will remain in place until either the fines debt is resolved, or a lift of any restriction(s) is approved as part of a resolution package (such as a payment plan or Work and Development Order). There is a maximum time restriction. The average time period that a Customer Business Restrictions sanction is active is 7 months and 18 days. Sanctions lifted as part of a resolution package had an average active time period of 2 months and 19 days.

PROPERTY SEIZURES

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Question:

How many people were subject to your power to seize and auction property for non-payment?

Answer:

37,048 Property Seizure Orders (PSO) were issued in 2018/19. These PSOs of themselves are often sufficient to encourage people to engage with Revenue NSW. In 2018/19, there was 1 instance where an individual's property was seized in order to resolve debts owed to Revenue NSW.

GARNISHEE WAGES

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Question:

How many times did you utilise your ability to garnish people's wages?

Answer:

In 2018/19, 18,910 employer garnishee orders were executed.

Question:

How many times did you utilise your ability to garnish bank accounts in the past year? And how much?

Answer:

In 2018/19, 32,799 bank garnishee orders were executed.

The value of successful bank garnishee orders was \$16,426,544.61 for 2018/19.

PROPERTY SEIZURES

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Question

Do you maintain data on property seizures? (duplicate)

Answer:

37,048 Property Seizure Orders (PSO) were issued in 2018/19. These PSOs of themselves are often sufficient to encourage people to engage with Revenue NSW. In 2018/19, there was 1 instance where an individual's property was seized in order to resolve debts owed to Revenue NSW.

Revenue NSW is not advised of the type of property seized by the NSW Sheriff.

Question:

Can you confirm the process for auctioning seize property? (do you need a court order, who undertakes the auctions, who pays the sheriff and how much etc)

Answer:

The NSW Sheriff is responsible for any auctions.

Revenue NSW does not pay the NSW Sheriff's Office for "standard" action taken under a property seizure order. Revenue NSW may pay the NSW Sheriff directly for certain specialised actions. Refer to the Department of Communities and Justice for NSW Sheriff pricing details.

WORK AND DEVELOPMENT ORDERS

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Question:

How many people are currently on work and development orders?

Answer:

10,214 people as of 6 September 2019.

Question:

How many non-profits are involved in the work and development order system? Who are they?

Answer:

2,169 as at 6 September 2019.

There is a list of WDO sponsors, by area, on the Revenue NSW website at

<https://www.revenue.nsw.gov.au/finances-and-fees/cant-pay-your-debt/find-a-wdo-sponsor>

BANKRUPTCY PROVISIONS

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Question:

In the last 12 months, how many times have you utilised your power to initiate bankruptcy proceedings against people for non-compliance with fines? But the threshold for the initiation of a bankruptcy proceeding, does that come to you?

Answer:

There were no instances of initiating bankruptcy proceedings in the last twelve (12) months.

In the event Revenue NSW was to initiate a bankruptcy proceeding, confirmation that the relevant threshold has been met would be progressed to the Deputy Secretary, Revenue NSW.

INDIGENOUS PEOPLE

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Question:

What work are you intending to embark on to mitigate the impact of the fines system on Aboriginal people?

Answer:

Revenue NSW is intending to introduce strategies to better engage Aboriginal people and youth to resolve their outstanding fines debts through programs currently available, including low amount repayment plans that do not attract additional costs and are interest free, non-financial programs to include culturally appropriate activities, and building on the existing cross Government approach.

DEBT COLLECTION FOR SIRA

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Question:

What are the details of these debts and fines (SIRA)?

Answer:

Revenue NSW issues letters, invoices and debt notices, on behalf of SIRA, to customers in connection with Workers Compensation policy obligations. Revenue NSW also takes payments and enforcement actions to recover unpaid amounts under the *State Debt Recovery Act 2018*.

Question:

How many penalties for non-compliance have you/are you pursuing for SIRA?

Answer:

Revenue NSW has issued 80 invoices on behalf of SIRA.

DEBT COLLECTION FOR OTHER AGENCIES

Question:

Which councils are you working for and what fees are you collecting from them? Do you recover costs from those councils?

Answer:

Revenue NSW undertakes debt recovery actions for:

- Mosman Council - Food Inspection/Re-Inspection Fees and Skin Penetration Inspection Fees.
- Burwood Council - Health Inspection Fees.

The Councils pay Revenue NSW a fee for service. This fee is based on a cost recovery model. \$65 is added to the unpaid debt once it is enforced under the *State Debt Recovery Act 2018*.

PASSENGER LEVY

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Question:

How much is outstanding for the private transport operators levy for the last financial year?

Answer:

As at 30 June 2019, the amount outstanding for Booking Service Providers was \$13,517.00. The amount outstanding for Taxi Service Providers \$1,681.00.

Question:

How much of the passenger levy is coming from booking service providers and how much is coming from taxi providers? Do you delineate between the two in your collection?

Answer:

For the period 1 February 2018 to 30 June 2019 the amount received from booking service providers was \$80,824,570 and from taxi service providers it was \$8,077,340.

PAYROLL TAX

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Question:

What is defined as outstanding for payroll tax?

Answer:

Confirmed that there are 21 days to pay for payroll tax. After this point the money owing is classed as "outstanding" and is considered overdue i.e. a debt. (Refer to page 90 of the Transcript).

Question:

How many taxpayers owe us money for payroll tax?

Answer:

1,504 payroll tax customers were in debt as at 30 June 2019.

Question:

What was the final collection rate for payroll tax last year?

Answer:

The collection rate for payroll tax for 2018/19 was 99%.

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Question:

How many people (including companies) had their payroll tax written off?

Answer:

428 customers had payroll tax written off in 2018/19.

Question:

Is the revenue influx from payroll tax investigations roughly the same each year?

Answer:

Payroll Tax Compliance Revenue for the last three financial years:

SUBJECT TO PARLIAMENTARY PRIVILEGE

2016/17 - \$232.2 million

2017/18 - \$243.9 million

2018/19 - \$238.3 million

Question:

How many disputed assessments for payroll tax were received last year (i.e. where there was an objection)?

Answer:

In the last financial year there were 722 and 56 of those were allowed. (Refer to page 82 of the Transcript).

Question:

How many people seek an internal review of their payroll tax?

Answer:

Revenue NSW received 722 objection requests.

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Question:

How many internal reviews lead to a change?

Answer:

Revenue NSW allowed 56 of the 722 payroll tax objections.

Question:

How many of the 90 tax cases finalised through NCAT or the Supreme Court led to a change in assessment?

Answer:

With respect to NCAT and the Supreme Court and payroll tax there were 42 cases. Revenue NSW lost one and settled 25. (Refer to page 82 of the Transcript).

ADMINISTRATION PROCESS FOR INSOLVENT COMPANIES

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Question:

[In terms of claims with the administrator re insolvent companies] does Revenue NSW utilise private firms or does it participate in the process directly?

Answer:

Revenue NSW staff attend creditors' meetings to vote on the outcomes. It also utilises proxy options where it grants the administrator/liquidator to vote on its behalf, where it is deemed most economical. Revenue NSW does not engage private firms for this activity.

CONTRACTOR EXEMPTIONS – PAYROLL TAX

Page 82 of Transcript

Question:

[In reference to determinations of employees and contractors] to Mr Brady 'Where are you up to with the examination of those sphere of companies, understanding that you are not going to identify them by name?'

Answer:

Revenue NSW's payroll tax compliance program focuses on identifying and contacting liable employers who have failed to register for payroll tax purposes and investigating registered customers who appear to have understated their wages. An area of focus is targeting employers who fail to declare payments to contractors that are liable for payroll tax. This could include incorrectly claiming one of the contractor exemptions.

During 2018/19, Revenue NSW finalised 227 compliance cases for \$24.1 million where contractor payments were the main reason for the under-declaration of wages.

HUNTER WATER DIVIDENDS

Page 84 of Transcript

Question:

So if I were to ask you to identify the target for each one of those things could you tell me?

Answer:

The *Financial Distribution Policy for Government Businesses* (TPP 16-04) sets 70% of distributable net profit after tax (NPAT) as the initial reference point for discussion around dividends. Hunter Water's dividend for next financial year has been budgeted on this basis.

LAND TAX

Page 84-85 of Transcript

Question:

How much land tax is currently owing to the people of NSW and by how many taxpayers?

Answer:

Total land tax debt as at 30 June is \$239,799,976. (Refer to page 90 of the Transcript). This figure includes land tax and interest.

15,944 (land tax only clients).

Page 85 of Transcript

Question:

How many land tax defaults were there last year, and can you provide trend data on that?

Answer:

Year ending 30 June 2019 - 51,024 default instances. A customer may have multiple instances of default.

Year ending 30 June 2018 - 48,327

Year ending 30 June 2017 - 41,546,

Year ending 30 June 2016 - 40,972

Year ending 30 June 2015 - 38,335.

Count is default instances. A customer may have multiple instances of default.

Question:

How many audits did you do last year on land tax and how many led to disputed assessments?

Answer:

In 2018/19, 23,791 compliance cases were finalised.

Revenue NSW received 620 land tax objections.

Question:

How much money you are spending on land tax compliance in terms of the Supreme Court and NCAT?

Answer:

Revenue NSW is unable to answer as costs are not attributed to individual NCAT or Supreme Court matters or by tax stream. Legal costs are paid out of the core fund administered by the Attorney General through the Crown Solicitors Office.

FIRST HOME OWNER GRANT

Page 86 of Transcript

Question:

How many first home owner grant investigations were undertaken in 2018-19?

Answer:

73

Question:

Re: first home owner grant investigations undertaken in 2018-19, how many recipients had to repay moneys?

Answer:

50

Question:

Re: first home owner grant investigations undertaken in 2018-19, what is the value of moneys recovered?

Answer:

\$849,350

Question:

Re: first home owner grant investigations undertaken in 2018-19, please give us the principal reasons for non-compliance that you found?

Answer:

Not meeting residency requirement; Not meeting eligibility criteria.

Question:

Re: first home owner grant investigations undertaken in 2018-19, how many staff do you have working on this? Also reference to a trend analysis being provided.

Answer:

2.5 FTE

First Home Owner Grant investigations undertaken:

- * 2016/17 - 207
- * 2017/18 - 79
- * 2018/19 - 73

Number of grants repaid:

- * 2016/17 - 76
- * 2017/18 - 54
- * 2018/19 - 50

Value of grants repaid:

- * 2016/17 - \$1,081,550
- * 2017/18 - \$964,854
- * 2018/19 - \$849,350

Principal reasons for non-compliance:

- * Not meeting residency requirement; Not meeting eligibility criteria.

TAX EQUIVALENTS

Page 86 of Transcript

Question:

Which businesses are subject to the tax equivalent regime?

Answer:

All NSW State Owned Corporations (SOCs) are subject to the National Tax Equivalent Regime (NTER). The NSW SOCs are: Essential Energy, Forestry Corporation of NSW, Hunter Water Corporation, Landcom, Port Authority of NSW, Sydney Water Corporation and Water NSW. NSW Treasury Corporation and Venues NSW are subject to the NSW Treasury Tax Equivalent Regime (TER).

Page 87 of Transcript

Question:

Are there quarterly payments that are an approximation of the payments that would be made if the business was privately owned?

Answer:

Yes. Quarterly instalments of the expected tax liability under both the National Tax Equivalent Regime (NTER) and NSW Treasury's Tax Equivalent Regime (TER) are paid to Revenue NSW.

Question:

How do you calculate it? If they are meant to be subject to quarterly payments at some point you have to figure out what they should be paying otherwise.

Answer:

The National tax equivalent regime (NTER) is administered by the Australian Tax Office (ATO). It notionally applies relevant federal income tax laws to the NTER entity, as if they were subject to those laws, to assess the amount of income tax equivalents payable. The administrative and technical operating features of the NTER are outlined in the NTER manual available on the ATO legal website.

The NSW Treasury Tax equivalent regime (TER) is administered by the Chief Commissioner of Revenue NSW. The TER applies an accounting profit model where the prevailing rate of company income tax is applied to the TER adjusted accounting profit of the relevant government

business. NSW Treasury's Tax Equivalent Regime policy is available on the NSW Treasury website.

The tax paid each year by NSW government businesses is reported in their audited financial accounts included in their annual reports.

ROYALTIES

Page 87 of Transcript

Question:

How much coal royalties are currently outstanding?

Answer:

As at 30 June 2019, there was \$9,406,381.96 in coal royalties showing as outstanding.

Question:

How much petroleum royalties are currently outstanding?

Answer:

As at 30 June 2019, there is no debt outstanding for petroleum.

Question:

Are we currently in dispute with anyone about outstanding petroleum royalties?

Answer:

No

ALL-ROLES FLEX

Page 88 of Transcript

Question:

When you were maintaining your central database how many of your senior executive levels were registered on that?

Answer:

All Senior Executives were registered on the Flexible Work tracker as all Employees at Treasury were. The tracker was progressing in implementation / level of completion when the decision was made to not continue with the tracker. Rather, it was decided that the focus would

shift to Senior Executives modelling flexible work practices and supporting conversations with their teams about flexible work practices through the lens of the Customer, The Team and the Employee.

FLEXIBLE WORKING

Page 89 of Transcript

Question:

We have actually had a pilot operating out of our Maitland call centre where we have had, I believe, 40 and then gone up to 70 people—I will confirm those numbers for you—

Answer:

As at 5 September 2019, Revenue NSW have 40 staff that work principally from home (34 staff in Maitland and 6 from Lithgow). The number of people working from home in the Collection Centre varies due to personal circumstances and has been as high as 60.

LAND TAX

Page 90 of Transcript

Question:

What is defined as outstanding for the purposes of land tax?

Answer:

Land tax is considered as debt/outstanding if it remains unpaid 41 days after issue of the assessment. (Refer to page 91 of the Transcript).

Question:

Question:

How many people are paying land tax upfront and how many are paying in three instalments?

Answer:

For the 2018 land tax year: 176,455 assessments were issued and of this, 96,832 received the early payment discount for paying upfront (55%).

For the 2019 land tax year: 166,282 assessments were issued and of this, 89,507 received the early repayment discount (54%).

The balance of payments are via three instalments or extended payment plans.

Question:

I am not sure if I understand how you define what is outstanding after all that?

Answer:

Land tax is considered as debt/outstanding if it remains unpaid 41 days after issue of the assessment. (Refer to page 91 of the Transcript).

PREQUALIFICATION SPENDERS

Page 90 of Transcript

Question:

Are you able to come back to us with the equivalent top 10 spenders in terms of their contingent labour prequalification framework that you maintain?

Answer:

Reported spend ex GST on the top 10 contingent workforce suppliers for FY18/19:

HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LIMITED	\$234,476,144.33
RANDSTAD PTY LIMITED	\$129,375,910.67
TALENT INTERNATIONAL (NSW) PTY LTD	\$88,419,552.75
CHARTERHOUSE RECRUITMENT PTY LTD	\$64,474,476.58
PEOPLEBANK AUSTRALIA LTD	\$55,938,425.01
CHANDLER MACLEOD GROUP LIMITED	\$52,034,731.84
QUAY APPOINTMENTS PTY. LTD.	\$51,608,751.41
FINITE GROUP APAC PTY LTD	\$42,640,062.80
PAXUS AUSTRALIA PTY LIMITED	\$39,480,745.48
The Trustee for CLICKS RECRUIT (AUSTRALIA) UNIT TRUST	\$39,341,310.71

STAFFING

Page 91 of Transcript

Question:

How many FTEs are with the Small Business Commissioner?

Answer:

As at 30 June 2019, the Small Business Commissioner had 53 FTEs. This figure has been rounded and excludes contingent/contractor workers.

UNFAIR CONTRACTS

Page 92 of Transcript

Question:

Do you have any data as to how many of those investigations have been undertaken by the Small Business Commissioner?

Answer:

The NSW Small Business Commission has undertaken mediation support in relation to unfair contracts but has not undertaken formal investigations.

Question:

The then roads Minister referred to the Small Business Commissioner a request to investigate effectively contract supply chains on government projects. Do you recall this?

Answer:

The then NSW Roads Minister asked the NSW Small Business Commissioner to review the circumstances that led to Otswald Bros going into voluntary administration while engaged to work on the Glenugie to Tyndale section of the Pacific Highway upgrade.

NEWSAGENTS ASSISTANCE FUND

Page 92 of Transcript

Question:

How long has the fund been in existence? How much has been dispersed in total and how much is left.

Answer:

Since its implementation in 2014, the Newsagents Assistance Fund has provided \$4,909,222 in grant payments, with \$10,090,778 remaining in the fund until it's expiration in 2024.

PAYMENT OF BILLS

Page 93 of Transcript

Question

What is the percentage of bills being paid within 20 days by the NSW Government?

Answer

Percentage of invoices paid within 20 calendar days in first quarter (Jan to Mar) 2019 is 99%.