

PERSPECTIVES.

RevenueSA

In this Issue

- Message from the Commissioner
- Proposed New Nexus Arrangements for Payroll Tax
- Stamp Duty on Policies of Insurance
- First Home Owners Boost Scheme Comes to an End
- MoU Boosts Data Matching
- Interjurisdictional Committees - ROs working together
- 2009 Taxpayer Survey Results



**FREE EMAIL
SUBSCRIPTION
SERVICE**

Keep up-to-date with new Revenue Rulings, Information Circulars, RevenueSA's newsletter Perspectives, upcoming information sessions and any other relevant tax information, by joining our free email subscription service.

You can subscribe by clicking [here](#) or by visiting our website at www.revenuesa.sa.gov.au and selecting 'Publications' from the menu on the left, then 'subscribe' from the sub-menu. You can cancel or amend your subscription at any time from this site.

Message from the Commissioner

I hope that you have had the opportunity to wind down over the Christmas New Year period. It is a great time of the year to relax and spend time with family and friends.

RevenueSA, like every other organisation in the private and public sector, continues to examine ways to improve business practices.

For larger organisations, one valuable tool in gauging how things are going, is a survey of clients and customers or, in our case, of taxpayers and professional advisors.

Our yearly taxpayer survey was undertaken during July and August 2009, incorporating the eight core questions set by the SA Government Reform Committee. It is pleasing to note that RevenueSA has seen a growth of 5.3% in the overall satisfaction level, as rated by taxpayers and their representatives.

Eight core questions were introduced to provide measurement against the South Australian Strategic Plan (SASP) Target 1.7, to increase customer satisfaction with government services by 10% by 2010.

Feedback from taxpayers and their representatives is highly appreciated and is a valuable tool in our efforts to improve our services and provide taxpayers and advisors with the information needed to ensure that taxation obligations are met. Many respondents to our taxpayer survey took the time to offer some very constructive suggestions for improvements to services.

RevenueSA wishes you a safe, rewarding and prosperous 2010.



Mike Walker



PROPOSED NEW NEXUS ARRANGEMENTS FOR PAYROLL TAX

All states and territories have reached agreement that from 1 July 2009, new payroll tax nexus rules are to apply where wages are paid to workers who provide their services in more than one state or territory in a month. Under the proposed new rules, where a worker provides services in more than one jurisdiction, payroll tax is to be paid to the jurisdiction where the worker resides, rather than where they are paid (as is currently the case) Where the worker does not reside in Australia, tax is to be paid to the jurisdiction where the registered Australian Business Number address of the employer is located.

Legislation has been drafted to implement the new nexus arrangements.

The new legislation, once enacted, is to have retrospective effect to 1 July 2009. It is recognised that there may be transitional and implementation issues for some employers who may have to make changes to their payroll systems. This may affect the timeliness or accuracy of their monthly returns while necessary changes are made.

Whilst there is no requirement for employers to lodge returns under the new arrangements until the legislation is enacted, the South Australian Commissioner of State Taxation has indicated that RevenueSA will accept payroll tax returns in line with the proposed nexus from 1 July 2009, or alternatively, it will be permissible for employers facing transitional and implementation issues to make any necessary adjustments, without penalty, as part of the annual reconciliation process for the 2009-10 assessment year.

It is stressed that these changes only affect wages for workers providing their services across jurisdictions. Where a worker provides their services solely in one jurisdiction (as is the case for the majority of workers) payroll tax will continue to be paid to the jurisdiction where those services are performed.

The new arrangements will provide greater clarity to affected employers, a more robust taxation regime in light of modern electronic payment methods, and will reduce potential compliance costs that could otherwise arise for employers under existing arrangements.



STAMP DUTY ON POLICIES OF INSURANCE

RevenueSA is currently conducting a compliance program to ensure that the correct stamp duty has been paid on insurance premiums in respect of policies insuring South Australian risk effected outside of South Australia.

In general terms, the *Stamp Duties Act 1923* (the "Act") requires that stamp duty be paid on all insurance premiums that relate to a risk in South Australia.

Normally, a person seeking insurance will place the insurance with a company that is licensed to carry on business in South Australia. That company will then lodge a monthly return with RevenueSA and pay the appropriate stamp duty. In these cases, a licensed insurance company may pass on this cost to the policy holder.

However, in some cases, a person may choose to place their insurance with a company that does not operate in South Australia. The insurance may be placed directly with that company or through a broker.

In those cases, the person taking out the insurance has the liability to pay stamp duty on the insurance premiums.

Section 42AA of the Act puts the onus on the insured party to lodge a return and pay the relevant stamp duty.

In some instances, insured persons, placing insurance through a broker or directly with an insurer that does not carry on business in South Australia, may not be meeting their obligations under Section 42AA of the Act.

RevenueSA encourages businesses and individuals who have become aware that they may not have met their tax obligations to come forward and make a voluntary disclosure.

Voluntary disclosures provide taxpayers with the benefit of reduced penalty tax and interest.

Should you have any queries, you are invited to contact **Nathan Clarke** on **(08) 8226 1834** or via email at: nathan.clarke@sa.gov.au.



FIRST HOME OWNERS BOOST SCHEME COMES TO AN END

The First Home Owners Boost Scheme (the “Boost”) came to an end on Thursday, 31 December 2009.

Commencing on 14 October 2008, the Boost was an initiative of the Australian Government to assist first home buyers purchase or build their first home.

The scheme has been administered by RevenueSA and was paid in addition to the original First Home Owner Grant of \$7000 and the First Home Owner Bonus Grant of up to \$4000 introduced by the South Australian Government. As a result, a first home buyer(s) may have received up to:

- ▶ \$25 000, if they entered into a contract to build a new home or purchase a newly constructed home between 14 October 2008 and 30 September 2009 (inclusive);
- ▶ \$18 000, if they entered into a contract to build a new home or purchase a newly constructed home between 1 October 2009 and 31 December 2009 (inclusive);

- ▶ \$18 000, if they entered into a contract to purchase an established home between 14 October 2008 and 30 September 2009 (inclusive); or
- ▶ \$14 500, if they entered into a contract to purchase an established home between 1 October 2009 and before 31 December 2009 (inclusive).

During the period of the scheme, over 14 600 applications were approved for the Boost. The Boost has assisted over 12 100 first home buyers to purchase an established home, and over 2500 first home buyers to build their first home or purchase a newly constructed home.

Although the Boost scheme ended on 31 December 2009, eligible first home purchasers may still apply for the original First Home Owners Grant and First Home Owners Bonus Grant, with a total benefit of up to \$11 000.



MoU BOOSTS DATA MATCHING

RevenueSA is currently finalising a new Memorandum of Understanding (MoU) with the Australian Taxation Office (ATO) and other State and Territory Revenue Offices (ROs) to improve our data sharing processes.

Federal, state and territory laws allow agencies to share data to administer taxation legislation. In South Australia, these provisions are contained in Part 9 of the *Taxation Administration Act 1996*. Similar provisions are provided in taxation administration legislation in other states and territories, and under Section 13J of the *Taxation Administration Act 1953* (Cwlth).

An MoU ensures that agencies transfer information according to law, privacy and secrecy provisions. Under the MoU, RevenueSA will use information from a variety of sources, including:

- ▶ the ATO;
- ▶ other ROs; and
- ▶ Lands Titles Office.

This information assists in the proper identification and accurate assessment of taxation liabilities. Additionally, it helps us assess the risk of omissions or understatements on returns or self assessment activities in areas such as:

- ▶ property transactions, including land tax and stamp duty information; and
- ▶ employer obligations, such as payroll tax details.

NEED TO CONTACT REVENUESA?

[Click here to view RevenueSA's contact page](#)



INTERJURISDICTIONAL COMMITTEES ROs WORKING TOGETHER

The State and Territory Revenue Offices (ROs) have a number of interjurisdictional committees in operation, which enable ROs to share information and strategies to improve business operations and taxpayer services.

These committees are:

Australian Taxation – Revenue Office Forum (ATRO)

The ATRO forum provides a central place for the coordination and management of cross-agency relations arising from the Memorandum of Understanding (MoU) between ROs and the ATO to liaise and exchange information, predominately for compliance purposes.

Business Practices Committee (BPC)

The BPC provides a forum for sharing information, and identifying better practices and opportunities for consistency in the management and collection of revenue and other programs administered by ROs. The BPC provides opportunities to compare performance against, and learn from, other ROs.

Revenue Office Compliance Committee (RO CC)

The RO CC work together to ensure that the highest possible levels of compliance with state revenue laws is achieved through:

- ▶ sharing best practice;
- ▶ sharing intelligence relevant to achieving desired compliance outcomes;
- ▶ identifying opportunities for interjurisdictional cooperation that adds value to compliance activities; and
- ▶ developing risk based compliance strategies to support self assessment.

Tax Law Committee (TLC)

The role of the TLC is to advise RO Commissioners on national taxation law issues, that is, policy, legislative, interpretative and technical issues having national implications for state taxation, including impacts of Commonwealth proposals on state taxation.

The TLC works to ensure systems and infrastructures are in place and operate to provide accurate and timely information between the policy areas of each jurisdiction in respect of:

- ▶ amendments to legislation;
- ▶ avoidance schemes or other threats to revenue;
- ▶ problems impacting adversely on the equity or compliance costs of taxpayers;
- ▶ relevant judicial decisions; and
- ▶ revenue rulings.

National First Home Owner Grant Committee

The National FHOG Committee oversees the management, operation, maintenance and development of the FHOG Scheme, FHOG system and associated business processes.

Major functions include:

- ▶ managing relationships between ROs in relation to the FHOG Scheme;
- ▶ managing the FHOG system and associated business processes to maintain national consistency and FHOG system functionality;
- ▶ managing arrangements with FHOG Administrators and conducting performance reviews of the Service Agreement;
- ▶ monitoring the effectiveness of the FHOG legislation and practices, and make appropriate recommendations to the TLC and the RO CC;

Information & Communication Technology Committee (ICTC)

The role of the ICTC is to advise RO Commissioners on information and communication systems and technology opportunities that support strategic direction, reduce client compliance costs and improve the efficiency, effectiveness and client service of ROs.

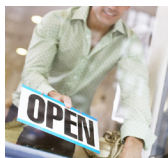
The ICTC also provides a forum for the exploration and sharing of information regarding:

- ▶ ICT architectures including service orientated architectures;
- ▶ information technology security measures and systems;
- ▶ information and communication technology innovations in the greater business community; and
- ▶ website development and management.

Training & Customer Education Committee (TCEC)

The TCEC provides an opportunity for all jurisdictions to share information about current training initiatives and education plans, and where appropriate, work together in the delivery of staff training and taxpayer education.

With all jurisdictions committed to harmonising the administration of payroll tax, the 2009-10 focus of the TCEC is to support this process by examining ways to ensure the uniform development and delivery of payroll tax training and taxpayer education across jurisdictions.



2009 TAXPAYER SURVEY RESULTS

The annual RevenueSA Taxpayer Survey was conducted during July and August 2009, inviting participants to provide feedback on our level of service.

The 2009 survey was designed to seek feedback from taxpayers in the areas of general customer service, information provided and education channels. In addition, the eight core questions to measure the key drivers of customer satisfaction, as recommended by the Government Reform Committee, were included.

The eight core questions are a requirement to enable measurement against the **South Australian Strategic Plan (SASP) Target 1.7: Performance in the public sector - customer and client satisfaction with government services: Increase the satisfaction of South Australians with government services by 10% by 2010, maintaining or exceeding that level of satisfaction thereafter.** The eight core questions relate to the satisfaction of overall quality, accessibility and timeliness of the service, along with how taxpayers were treated, information provided, knowledge and competency of staff, level of service and delivery.

RevenueSA results indicate an improvement by an average of 5.3% since the 2008 taxpayer survey. These results are shown in the table summary below.

SUMMARY OF TARGET 1.7 RESULTS

	2008	2009	Change
How satisfied were you with the...			
... overall quality of service?	78%	80%	+ 2.6%
... accessibility of the service?	79%	80%	+1.3%
... amount of time it took to get the service?	76%	78%	+2.6%
In your dealing with RevenueSA...			
... you were treated fairly?	75%	82%	+9.3%
... you were informed of everything required in relation to your query in order to comply with state taxation legislation?	74%	82%	+10.8%
... staff were knowledgeable and competent?	75%	82%	+9.3%
... staff went the extra mile to make sure you got what you needed?	70%	76%	+8.6%
... did you get what you required?	93%	92%	-1.1%

#change indicates the increase/decrease in percentage using 2008 as the base percentage, i.e a 6% increase from 70% to 76% is an increase of 8.6% on the original (base) 70% ($0.06/0.70 = 0.086$).

The eight core questions have been adopted by our interjurisdictional Business Practices Committee and will be used to compare our taxpayer service against other revenue offices.

During the survey period, a total of 626 responses were received, including 145 partial responses where the respondent exited the survey before completing the last question.

Upon analysis of the responses, areas highlighted in the survey results where RevenueSA performs well included:

- ▶ staff are friendly and professional;
- ▶ best payroll tax online system in Australia – very easy to use; and
- ▶ user friendly Internet site.

Areas highlighted where RevenueSA could improve included:

- ▶ improve response times, particularly in relation to emails and land tax matters;
- ▶ provide information in an easy to read manner and less complex, with use of examples and diagrams;
- ▶ ensure complex enquiries are referred to taxation specialists or the 'right person';
- ▶ improve staff knowledge on land tax matters;
- ▶ ensure comprehensive explanations and advice is provided, rather than basic level;
- ▶ improve navigation of the Stamp Duty Document Guide; and
- ▶ provide further technical training to staff to increase level of service.

Please do not feel that you need to wait until our next Taxpayer Survey to provide comments. We want to hear from you if, for any reason, you are dissatisfied with any services we provide you. We also want to hear your ideas on how we can improve our services. Naturally, we would also like you to let us know when our service exceeds your expectations! We need the range of feedback to continually improve our services and develop new standards within our capabilities.

Please contact us via email at: revenuesa@sa.gov.au or on (08) 8226 3718 (1800 637 778 for country callers) any time you would like to provide feedback.