

**MINUTES OF THE
SA STATE TAXES LIAISON GROUP MEETING
HELD ON WEDNESDAY 7 MARCH 2018 AT 9:30 AM
TRAINING ROOM, LEVEL 1, STATE ADMINISTRATION CENTRE,
VICTORIA SQUARE, ADELAIDE**

1 ATTENDANCE / APOLOGIES

1.1 PRESENT FOR REVENUESA

Graeme Jackson (Chair), Mark Christmas, Tom Colmer, Shaun Davies, Ian Grimshaw, Paul Maxwell, Ian Morris and Lisa Smith.

1.2 PRESENT FOR INDUSTRY GROUPS

Sandy Donaldson (The Law Society of South Australia), Michelle Hendry (Australian Institute of Conveyancers (SA Division) Inc), Paul Ingram (The Tax Institute), Kate Southcott (Real Estate Institute of South Australia), Paul Tanti (Chartered Accountants Australia and New Zealand), Julie Van der Velde (CPA Australia) and Bernie Walrut (Law Council of Australia).

1.3 APOLOGIES

Phil Dorman (Institute of Public Accountants), Kristy Ferguson (RevenueSA), Rebecca Hayes (Australian Institute of Conveyancers (SA Division) Inc), Marc Romaldi (Property Council of Australia), Peter Slegers (Business SA), Jeff Stevens (Australian Institute of Conveyancers (SA Division) Inc) and Alan Yates (CPA Australia).

2 BUSINESS ARISING

2.1 UPDATE ON REVENUESA PUBLICATIONS AND RULINGS SUB-COMMITTEE (SEE ATTACHMENT A)

Paul Maxwell advised with respect to the RevenueSA Publications set out in Attachment A of the Agenda as follows:

- there have been no meetings of the Rulings Sub-Committee since the last SA State Taxes Liaison Group meeting, however it is hoped that one will be held in the coming weeks in order to discuss Items 1.1, 1.2 and 1.3 (with a focus on Item 1.1); and
- an Early Engagement and Alternative Dispute Resolution publication has been drafted and will also be a priority of the Rulings Sub-Committee.

Lisa Smith advised that RevenueSA is currently reviewing the efficiency of the Rulings Sub-Committee. A general discussion followed regarding the operation of the Rulings Sub-Committee and previous efforts to formalise its framework. Graeme Jackson advised that RevenueSA will present some ideas for consideration at the next SA State Taxes Liaison Group meeting.

Bernie Walrut raised concerns about RevenueSA's increased publication of web-based material, stating that difficulties arise in terms of obtaining

historical records. Graeme Jackson acknowledged the issue and advised that RevenueSA will investigate whether digital archiving (or similar) is a possibility at this stage. Paul Ingram suggested that all RevenueSA publications include a date of publication, to assist the reader in ascertaining their application at a given point in time. RevenueSA will consider digital archiving and the dating of its publications.

2.2 UPDATE ON STATE TAX APPEALS

Paul Maxwell advised that:

- Business SA's payroll tax charitable purposes exemption appeal to the Full Court is currently being heard;
- a judgment was made in a land tax minor interest appeal (dismissing the appeal);
- the hearing of a land tax primary production matter will commence on 19 March 2018;
- a hearing date is yet to be set in a stamp duty valuation matter;
- a stamp duty valuation of business appeal has been lodged;
- a payroll tax contractor provisions appeal has been lodged; and
- a First Home Owner Grant residence requirement matter is set to be heard by SACAT on 15 March 2018.

2.3 SIMPLIFY DAY

Paul Maxwell advised that since the *Statutes Amendment and Repeal (Simplify No 2) Bill 2017* was not passed by Parliament, the decision of whether to pursue legislative amendments will be made by the new government after the coming election. Paul Maxwell also advised that the only stamp duty measure included in the amendment bill was the extension of the family farm exemption to companies, which Graeme Jackson confirmed can still be recommended for consideration by the new government, irrespective of the election outcome.

2.4 THIRD PARTY REPORTING

Tom Colmer advised that:

- 23,400 workspaces have been completed since July 2017;
- new functionality will be introduced in early April, extending the third party reporting workspaces to allow registered users to lodge documents for Opinion;
- the new functionality will be available to any existing approved RevNet user, including those that currently use RevNet for self-determination only;
- when lodging reportable document types electronically, a workspace will be submitted prior to creating the Opinion document;

- entering a valid workspace number will prefill all relevant data into the Opinion lodgement;
- a user will be able to estimate duty and then upload an instrument with any supporting documentation;
- all correspondence, such as a Notice of Assessment or Notice of Requisition, will be received electronically by the user on RevenueSA Online;
- requisitions can be answered either online via direct text or through the uploading of a response;
- Opinions can be paid by direct debit, BPAY, cheque or cash;
- self-determination will also be implemented with the enhanced Opinions functionality;
- in April, final batches will be submitted through RevNet and users will be permanently transitioned to RevenueSA Online;
- following the transition, new batches will no longer be able to be created in RevNet and clients will be provided read-only access to their historical batches in RevenueSA Online;
- property certificates will follow by late April or early May; and
- RevenueSA will do its best to accommodate the needs of users once the system is up and running. Any further examination and/or feedback in relation to the current system design is most welcome.

Bernie Walrut requested that the RevenueSA Online system includes a facility to prompt users when a payment due date is approaching, to prevent avoidable penalties and interest from being imposed. Tom Colmer agreed that there was merit to this idea and advised that he would give it further consideration (taking into account system functionality and project timelines).

Bernie Walrut also raised evidentiary concerns regarding the hand-written component of the new stamping system, specifically in relation to confirming that a given document has been stamped. Bernie Walrut acknowledged that such confirmation may be sought in writing, however advised that in certain situations some practitioners may be reluctant to do so. Graeme Jackson agreed to give further consideration to the issue.

3 NEW BUSINESS

3.1 LAND TAX EXCEPTIONS AND EXEMPTIONS (BERNIE WALRUT)

Bernie Walrut commented that the land tax exemptions and exceptions have become unnecessarily complex and suggested that the legislation be amended. Graeme Jackson advised that a new, much simpler land tax exemption form will be released by RevenueSA in the near future.

Graeme Jackson also advised that legislative amendment remains a possibility for the new government to consider after the election.

3.2 REVENUESA WEBSITE CONTENT AND RECORD KEEPING (BERNIE WALRUT)

Bernie Walrut confirmed that this issue had been sufficiently discussed in relation to Item 2.1.

3.3 PARTNERSHIP INTERESTS (BERNIE WALRUT)

Bernie Walrut referred to the Victorian decisions in *Danvest Ltd v CSR (Vic) [2017] VSC 125* and *CSR (Vic) v Danvest [2017] VSCA 382* and suggested that they were inconsistent with RevenueSA's treatment of partnership interests involving real property.

Graeme Jackson advised that the Crown Solicitor had confirmed that South Australia's legislation can be distinguished from Victoria's and that RevenueSA's current approach is considered appropriate. Paul Maxwell advised that the impact of the Full Court decision in *Danvest [2017] VSCA 382* is currently being reviewed by the Crown Solicitor to see if it changes the advice he provided following the judgement of the single judge.

4 OTHER MATTERS

Bernie Walrut raised the issue of objections to Land Use Codes (previously discussed in the December 2017 meeting in relation to Attachment B, Item 5) and enquired whether there had been any change. Graeme Jackson reiterated that the Valuer-General reports to the Minister for Transport and that any submissions will therefore need to go via this Minister. However Graeme Jackson agreed to keep discussions open and review the matter again after the election.

Julie Van der Velde raised the issue of formal binding opinions (previously discussed in the December 2017 meeting in relation to Item 3.2). Graeme Jackson reiterated that resourcing issues restrict binding opinions from RevenueSA's agenda at this stage.

5 NEXT MEETING

Wednesday 6 June 2018, 9:30 am

Training Room, Level 1, State Administration Centre.

The meeting closed at 10:32 am.

Signed as a true and correct record of proceedings.



Graeme Jackson
CHAIRPERSON

19 / 4 / 2018

ATTACHMENT A – REVENUESA PUBLICATIONS

1. Draft publications for the Rulings Sub-Committee
 - 1.1. Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts
 - 1.2. Stamp Duty – Transfer of units in a unit trust scheme which holds land
 - 1.3. Stamp Duty – Conveyance by Direction
2. New potential publications for consideration
 - 2.1. Section 71(6) of the *Stamp Duties Act 1923*
 - 2.2. Stamp Duty – Unit Trust: Issues And Redemptions
 - 2.3. Early Engagement and Alternative Dispute Resolution
3. Draft publications on hold
 - 3.1. Stamp Duty – Duty arising from changes in partnership interests
 - 3.2. Section 13(4) of the *Land Tax Act 1936*
4. Other existing publications under consideration by RevenueSA
 - 4.1. Circular 61 – Section 71E of the *Stamp Duties Act 1923*. Obligation of a person to lodge a statement with the Commissioner
 - 4.2. Circular 109 – Stamp Duties (Concessions) Amendment Act 1994 – Family Farm Transfers
 - 4.3. Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines
 - 4.4. Circular 265 – Stamp Duty – Sale of Retirement Villages
 - 4.5. Circular 282 – Domestic Partners