



New South Wales

# Intergovernmental Agreement Implementation (GST) Act 2000 No 44

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New South Wales

# **Intergovernmental Agreement Implementation (GST) Act 2000 No 44**

Act No 44, 2000

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An Act to give effect to the *Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations*; to amend various Acts and instruments as a consequence of the imposition of the Commonwealth's goods and services tax; and for other purposes. [Assented to 27 June 2000]

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**The Legislature of New South Wales enacts:**

**1 Name of Act**

This Act is the *Intergovernmental Agreement Implementation (GST) Act 2000*.

**2 Commencement**

- (1) This Act commences on the date of assent, except as provided by this section.
- (2) The following provisions commence, or are taken to have commenced, on the dates indicated:

Part 1 of Schedule 2 on 1 July 2001

Schedule 4 on 1 July 2000

Part 1 of Schedule 6 on 1 July 2000

Part 2 of Schedule 6 on 9 December 2002

Schedule 7 on 1 July 2000

Schedule 8 on 1 July 2000

Schedule 11 on 1 July 2000

Schedule 12 on 30 June 2000

**3 Definitions**

In this Act:

***Commissioner of Taxation*** means the person holding office for the time being as Commissioner of Taxation under the *Taxation Administration Act 1953* of the Commonwealth.

***CPI*** means the Consumer Price Index (All Groups Index) for Sydney issued by the Australian Statistician.

***fee*** includes a charge or other amount.

***GST*** has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth.

***GST Imposition Acts*** means the following Acts of the Commonwealth:

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*A New Tax System (Goods and Services Tax Imposition—Customs) Act 1999*

*A New Tax System (Goods and Services Tax Imposition—Excise) Act 1999*

*A New Tax System (Goods and Services Tax Imposition—General) Act 1999*

***Intergovernmental Agreement*** means the *Intergovernmental Agreement on the Reform of Commonwealth—State Financial Relations*, a copy of which is set out in Schedule 1.

***State entity*** means a person who is not liable for GST that the person would be liable for if:

- (a) the imposition of that GST were not prevented by section 114 of the Commonwealth Constitution, and
- (b) section 5 of each of the GST Imposition Acts had not been enacted.

#### **4 Intergovernmental Agreement**

- (1) A copy of the *Intergovernmental Agreement on the Reform of Commonwealth—State Financial Relations* is set out in Schedule 1.
- (2) It is the intention of the State to comply with, and give effect to, the Intergovernmental Agreement.

#### **5 Payment of GST equivalents by State entities**

A State entity may pay to the Commissioner of Taxation amounts representing amounts that would have been payable for GST if:

- (a) the imposition of that GST were not prevented by section 114 of the Commonwealth Constitution, and
- (b) section 5 of each of the GST Imposition Acts had not been enacted,

and may do things of a kind that it would be necessary or expedient for it to do if it were liable for that GST.

#### **6 Regulated fees—generally**

- (1) A person who charges a fee for a service supplied by the person, the amount of which is determined by or in accordance with an Act or statutory rule, may increase the fee by an amount that does not exceed the GST payable on the supply of the service to which the fee relates.

- (2) If an Act or statutory rule requires the amount of a fee, or an increase in the amount of a fee, to be rounded off, the increase is to be rounded off in such a way as to result in an increase of not more than 10%.
- (3) An increase made under this section must comply with the ACCC price exploitation guidelines.
- (4) This section does not apply in relation to a fee:
- (a) if the fee:
    - (i) is a tax or other charge that is excluded from the GST by a determination of the Commonwealth Treasurer under Division 81 (Payments of taxes) of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, or  
**Note.** On 1 July 2000, the heading to Division 81 is to be amended to read "Payment of taxes, fees and charges".
    - (ii) is for a supply that is GST-free under Subdivision 38-B (Health) of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, or
    - (iii) is for a supply that is GST-free under Subdivision 38-C (Education) of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, or
    - (iv) is for a supply that is GST-free under Subdivision 38-D (Child care) of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, or
    - (v) is for a supply that is GST-free under Subdivision 38-I (Water and sewerage) of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, or  
**Note.** On 1 July 2000, the heading to Subdivision 38-I is to be amended to read "Water, sewerage and drainage".
  - (b) if the Treasurer has given a direction to the person who charges the fee that this section does not apply to the fee, or
  - (c) if the Act or statutory rule by or in accordance with which the fee is determined provides that this section does not apply to the fee.
- (5) This section does not apply in relation to a fee that is the subject of a pricing determination of the Independent Pricing and Regulatory Tribunal of New South Wales under the *Independent Pricing and Regulatory Tribunal Act 1992* that has been made with regard to:

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- (a) the effect of GST, or
  - (b) the effect of a CPI determined with regard to the effect of GST, or both.
- (6) A direction of the Treasurer under this section may be given:
- (a) in relation to fees generally or in relation to a particular fee or a class or description of fees, or
  - (b) to persons generally or to a particular person or group of persons,
- or both, in such manner as the Treasurer thinks fit.
- (7) This section has effect despite the provisions of any other Act or statutory rule.
- (8) In this section:
- ACCC price exploitation guidelines* means *Price Exploitation and the New Tax System: General Principles, Information and Guidelines on When Prices Contravene Section 75AU of the Trade Practices Act 1974* published by the Australian Competition and Consumer Commission in March 2000.
- GST* includes notional GST of the kind for which payments may be made under section 5 by a State entity.
- (9) This section ceases to have effect on 1 July 2001.

## **7 Regulated fees and penalties—CPI increases**

- (1) If an Act or statutory rule enables or requires the amount of a fee or penalty to be increased by reference to the CPI, the Treasurer may, having regard to the effect of the imposition of GST on the supply of any goods or services, determine, for the purposes of the Act or statutory rule:
- (a) that the CPI is to be reduced to such figure or to such extent or in such manner as is specified in the determination and that the reduction is to apply in such circumstances (if any) as may be so specified, and
  - (b) that the fee or penalty is to be increased in accordance with the CPI as so reduced.
- (2) A determination under this section is to be notified in such manner as the Treasurer thinks fit.

- (3) A CPI as reduced in accordance with a determination under this section applies in place of the CPI that, but for this section, would apply.
- (4) This section has effect despite the provisions of any other Act or statutory rule.
- (5) This section ceases to have effect on 1 July 2003.

## **8 Amendment of Acts and instruments**

The Acts and instruments specified in Schedules 2–12 are amended as set out in those Schedules.

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## **Schedule 1 Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations**

(Section 4 (1))

### **INTERGOVERNMENTAL AGREEMENT ON THE REFORM OF COMMONWEALTH-STATE FINANCIAL RELATIONS**

**THE COMMONWEALTH OF AUSTRALIA  
THE STATE OF NEW SOUTH WALES  
THE STATE OF VICTORIA  
THE STATE OF QUEENSLAND  
THE STATE OF WESTERN AUSTRALIA  
THE STATE OF SOUTH AUSTRALIA  
THE STATE OF TASMANIA  
THE AUSTRALIAN CAPITAL TERRITORY, AND  
THE NORTHERN TERRITORY OF AUSTRALIA**

#### **WHEREAS**

- (1) the Special Premiers' Conference on 13 November 1998 developed principles for the reform of Commonwealth-State financial relations,
- (2) the Commonwealth, States and Territories are in agreement that the current financial relationship between levels of government must be reformed to facilitate a stronger and more productive federal system for the new millennium,
- (3) while a majority of the States and Territories support the introduction of the Goods and Services Tax (GST), the agreement of New South Wales, Queensland and Tasmania to the reform of Commonwealth-State financial relations does not imply their in-principle endorsement of the GST,
- (4) an Agreement was reached between the Commonwealth and the States and Territories on the reform of Commonwealth-State financial relations on 9 April 1999,
- (5) this revised Agreement was made necessary by the changes to the Commonwealth Government's A New Tax System (ANTS) package announced by the Prime Minister on 28 May 1999, and
- (6) this revised Agreement supersedes the previous Agreement of 9 April 1999:

**IT IS HEREBY AGREED:**

**PART 1—PRELIMINARY**

**Commencement Clause**

1. This Agreement will commence between the Commonwealth, the States and the Territories on 1 July 1999 unless otherwise agreed by the Parties.

**Objectives**

2. The objectives of the reforms set down in this agreement include:
  - (i) the achievement of a new national tax system, including the elimination of a number of existing inefficient taxes which are impeding economic activity,
  - (ii) the provision to State and Territory Governments of revenue from a more robust tax base that can be expected to grow over time, and
  - (iii) an improvement in the financial position of all State and Territory Governments, once the transitional changes have been completed, relative to that which would have existed had the current arrangements continued.
3. All Parties to the Agreement acknowledge the need to pursue on-going reform of Commonwealth-State financial relations.

**Acknowledgement of Agreement**

4. The Commonwealth will attach the Agreement as a schedule to the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*. The Commonwealth will use its best endeavours to ensure the Act will require compliance with the Agreement. The States and Territories will attach the Agreement as a schedule to relevant State and Territory legislation. The States and Territories will use their best endeavours to ensure their legislation will require compliance with the Agreement.

**PART 2—COMMONWEALTH-STATE FINANCIAL REFORM**

**Reform Measures**

5. The Parties will undertake all necessary steps to have appropriate legislation enacted to give effect to the following reform measures.
  - (i) The Commonwealth will legislate to provide all of the revenue from the GST to the States and Territories and will legislate to maintain the rate and base of the GST in accordance with this Agreement.
  - (ii) The Commonwealth will cease to apply the Wholesale Sales Tax from 1 July 2000 and will not reintroduce it or a similar tax in the future.

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- (iii) The temporary arrangements for the taxation of petrol, liquor and tobacco under the safety net arrangements announced by the Commonwealth on 6 August 1997 will cease on 1 July 2000.
  - (iv) The payment of Financial Assistance Grants will cease on 1 July 2000.
  - (v) The Commonwealth will continue to provide Specific Purpose Payments (SPPs) to the States and Territories and has no intention of cutting aggregate SPPs as part of the reform process set out in this Agreement, consistent with the objective of the State and Territory Governments being financially better off under the new arrangements.
  - (vi) The States and Territories will cease to apply the taxes referred to in Appendix A from the dates outlined below and will not reintroduce them or similar taxes in the future.
    - Bed taxes, from 1 July 2000,
    - Financial Institutions Duty, from 1 July 2001,
    - Stamp duties on quoted marketable securities from 1 July 2001,
    - Debits tax by 1 July 2005, subject to review by the Ministerial Council,
  - (vii) The Ministerial Council will by 2005 review the need for retention of stamp duty on non-residential conveyances, leases, mortgages, debentures, bonds and other loan securities, credit arrangements, installment purchase arrangements and rental arrangements, and on cheques, bills of exchange, promissory notes, and unquoted marketable securities.
  - (viii) The States and Territories will adjust their gambling tax arrangements to take account of the impact of the GST on gambling operators.
  - (ix) Following negotiations under the CSHA, the States and Territories will ensure that increases in pensions and allowances specified in the tax reform package will not flow through to increased public housing rents where these rents are linked to the level of pensions.
  - (x) Nothing in this clause will prevent any Party from introducing anti-avoidance measures that are reasonably necessary to protect its remaining tax base or liabilities accrued prior to the date the tax ceases to apply.

### **GST Legislation**

6. All Parties agree to reconsider this Agreement should the Commonwealth Parliament pass the GST legislation in a way that significantly affects this Agreement.

### **Distribution of GST Revenue**

7. The Commonwealth will make GST revenue grants to the States and Territories equivalent to the revenue from the GST subject to the arrangements in this Agreement. GST revenue grants will be freely available for use by the States and Territories for any purpose.
8. The Commonwealth will distribute GST revenue grants among the States and Territories in accordance with horizontal fiscal equalisation (HFE) principles subject to the transitional arrangements set out below and other relevant provisions of this Agreement.
9. Details of the payment arrangements are contained in Appendix B to this Agreement.

### **Transitional Arrangements**

10. In each of the transitional years following the introduction of the GST, the Commonwealth guarantees that the budgetary position of each individual State and Territory will be no worse off than it would have been had the reforms set out in this Agreement not been implemented.
11. The Commonwealth will extend the transitional period by Regulation (as provided for in the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*) to give effect to the commitments in clause 10 in the event that transitional assistance is required by any State or Territory after 30 June 2003.
12. To meet this guarantee, the Commonwealth will make transitional assistance payments to each State and Territory, as necessary, over this period. These payments will take the form of interest free loans and grants in July 2000–01 and grants paid quarterly in subsequent years and will be freely available for use by the States and Territories for any purpose. Any payments or repayments made by way of loans or grants under the Commonwealth's guarantee will be excluded from assessments of per capita relativities recommended by the Commonwealth Grants Commission (CGC).
13. The amounts of any additional assistance under the guarantee will be determined in accordance with the processes set out in Appendix C to this Agreement.
14. After the second year following the introduction of the GST, GST revenue grants will be determined on the basis of HFE principles. That is, after the first two years, any State or Territory which is receiving more than would have been received under the current arrangements will retain that excess.

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### **First Home Owners Scheme**

15. To offset the impact of the introduction of a GST, the States and Territories will assist first homebuyers through the funding and administration of a new uniform First Home Owners Scheme.
16. This assistance will be provided to first home owners consistent with Appendix D to this Agreement.

### **Application of the GST to Government**

17. The Parties intend that the Commonwealth, States, Territories and local government and their statutory corporations and authorities will operate as if they were subject to the GST legislation. They will be entitled to register, will pay GST or make voluntary or notional payments where necessary and will be entitled to claim input tax credits in the same way as non-Government organisations. All such payments will be included in GST revenue.
18. The Commonwealth will legislate to require the States and the Northern Territory to withhold from any local government authority being in breach of Clause 17 a sum representing the amount of unpaid voluntary or notional GST payments. Amounts withheld will form part of the GST revenue pool. Detailed arrangements will be agreed by the Ministerial Council on advice from Heads of Treasuries.

### **Government Taxes and Charges**

19. The Commonwealth, States and Territories agree that the GST does not apply to the payment of some taxes and compulsory charges.
20. The Parties will agree a list of taxes and compulsory charges that are outside the scope of the GST. This list will be promulgated by a determination by the Commonwealth Treasurer as set out in Division 81–5 of the *A New Tax System (Goods and Services Tax) Act 1999* (the GST Act).
21. In agreeing the list, the Commonwealth, States and Territories will have regard to the following principles:
  - (i) taxes that are in the nature of a compulsory impost for general purposes and compulsory charges by the way of fines or penalties should not be subject to GST as these will not relate to any specific supply of goods or services,
  - (ii) similarly, those regulatory charges that do not relate to particular goods or services should be outside the scope of the GST, and

- (iii) the inclusion of any other charge in the Commonwealth Treasurer's determination notwithstanding that it may relate to the supply of a particular good or service will require the unanimous agreement of the Commonwealth, States and Territories.
22. The agreed list of taxes and other compulsory charges that are outside the scope of the GST will be subject to on-going review and adjustment as necessary in consultation with the Ministerial Council. The Parties will notify any objections to changes to the list within a period to be specified by the Ministerial Council.

#### **Reciprocal Taxation**

23. Reciprocal taxation will be progressed on a revenue neutral basis, through the negotiation of a Reciprocal Taxation Agreement with the objectives of:
- (i) improving the transparency of tax arrangements between all levels of government,
  - (ii) ensuring tax neutrality, and
  - (iii) replacing the Statement of Policy Intent (SOPI) for the taxation treatment of Government Business Enterprises with tax arrangements which are broader in scope.
24. It is the intention of the Parties to this Agreement that a National Tax Equivalent Regime (NTER) for income tax will be operational for State and Territory government business enterprises from 1 July 2000. It is also intended that the reciprocal application of other Commonwealth, State and Territory taxes will be subsequently implemented as soon as practicable.
25. Local government organisations will be consulted with a view to making the NTER for income tax operational for wholly owned local government business enterprises from 1 July 2000 and including local government in the Reciprocal Tax Agreement at a later date.
26. Where the application of full indirect reciprocal tax arrangements is prevented by the Constitution, jurisdictions have agreed to work cooperatively to introduce voluntary payment arrangements in these circumstances.
27. All governments have agreed that no further compensation payments will be payable by any jurisdiction under the SOPI.

#### **Monitoring of Prices**

28. In accordance with the *Trade Practices Act 1974*, as amended, the Australian Competition and Consumer Commission will formally monitor prices and take action against businesses that take pricing decisions in a manner inconsistent with tax reform.

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29. In order to ensure that these measures apply to the whole economy, the States and Territories will adopt the Schedule version of Part VB of the *Trade Practices Act 1974* (part XIAA of *The New Tax System Price Exploitation Code*) to extend the measures in Part VB to cover those areas outside the Commonwealth's constitutional power. All Parties will work towards having any necessary legislation in place by 1 July 1999.
30. The monitoring and prohibition on unreasonable pricing decisions will commence on 1 July 1999 and continue until 30 June 2002.

### **PART 3—ADMINISTRATION OF THE GST**

#### **Management of the GST Rate**

31. After the introduction of the GST, a proposal to vary the 10 per cent rate of the GST will require:
- (i) the unanimous support of the State and Territory Governments,
  - (ii) the endorsement by the Commonwealth Government of the day, and
  - (iii) the passage of relevant legislation by both Houses of the Commonwealth Parliament.

#### **Management of the GST Base**

32. Subject to clauses 34, 35 and 36 of this Agreement, after the introduction of the GST, any proposal to vary the GST base will require:
- (i) the unanimous support of the State and Territory Governments,
  - (ii) the endorsement by the Commonwealth Government of the day, and
  - (iii) the passage of relevant legislation by both Houses of the Commonwealth Parliament.
33. All future changes to the GST base should be consistent with:
- (i) the maintenance of the integrity of the tax base,
  - (ii) simplicity of administration, and
  - (iii) minimising compliance costs for taxpayers.
34. A proposal to vary the GST base by way of a Ministerial determination under the GST Act and the GST Transition Act will require the unanimous agreement of the Ministerial Council established under clause 40. The Ministerial Council will develop practical arrangements to ensure timely consideration of proposed Ministerial determinations.
35. During the first 12 months following the implementation of the GST, the Commonwealth Government will retain the discretion to make changes unilaterally to the GST base where such changes:
- (i) are of an administrative nature (as defined in Appendix E to this Agreement),

- (ii) are necessary to facilitate the implementation of the new tax, and
- (iii) have regard to the need to protect the revenue of the States and Territories.

36. From July 2001, changes to the GST base of an administrative nature (as defined in Appendix E) would require the majority support of the Commonwealth, the States and the Territories.

#### **Australian Taxation Office**

37. The States and Territories will compensate the Commonwealth for the agreed costs incurred by the Australian Taxation Office (ATO) in administering the GST.
38. Accountability and performance arrangements will be established between the ATO and the State and Territory Governments consistent with Appendix F to this Agreement. These arrangements will include maximising compliance, cost efficiency, simplicity for taxpayers and administrative transparency.
39. The ATO and State and Territory Governments will collaborate to explore options for the States and Territories to benefit from the use of the Australian Business Number system.

### **PART 4—INSTITUTIONAL ARRANGEMENTS**

#### **Establishment of Ministerial Council**

40. A Ministerial Council comprising the Commonwealth, the States and the Territories will be established from 1 July 1999 to oversee the operation of this Agreement.
41. The membership of the Ministerial Council will comprise the Treasurer of the Commonwealth and the Treasurers of the States and Territories (or designated representatives).
42. The functions of the Ministerial Council will include:
- (i) the oversight of the operation of the GST,
  - (ii) the oversight and coordination of the implementation of this Agreement,
  - (iii) the review of matters of operational significance raised through the GST Administration Sub-Committee,
  - (iv) discussion of CGC recommendations regarding relativities prior to the Commonwealth Treasurer making a determination,
  - (v) monitoring compliance with the conditions governing the provision of assistance to first home owners set out in Appendix D to this Agreement,

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- (vi) monitoring compliance with the Commonwealth’s undertaking with respect to SPPs,
  - (vii) considering reports of the GST Administration Sub-Committee on the performance of the ATO in GST administration,
  - (viii) reviewing the operation of the Agreement over time and considering any amendments which may be proposed as a consequence of such review,
  - (ix) making recommendations to the Commonwealth Treasurer on the Guaranteed Minimum Amount applying to each State and Territory under the Transitional Arrangements,
  - (x) approving changes to the GST base which require the support of a majority of Commonwealth, State and Territory Governments,
  - (xi) considering on-going reform of Commonwealth-State financial relations, and
  - (xii) considering other matters covered in this Agreement.
43. The Treasurer of the Commonwealth will convene the Ministerial Council in consultation with the other members of the Council not less than once each financial year. If the Commonwealth Treasurer receives a request from a member of the Council, he will consult with the other members concerning convening a meeting. The Treasurer of the Commonwealth will be the chair of the Council. The Council may also conduct its business by correspondence.
44. All questions arising in the Ministerial Council will be determined by unanimous agreement unless otherwise specified in this Agreement.
45. While it is envisaged that the Ministerial Council will take decisions on most business arising from the operation of this Agreement, major issues will be referred by the Ministerial Council to Heads of Government for consideration, including under the auspices of the Council of Australian Governments.
46. The Ministerial Council will establish a GST Administration Sub-Committee comprised of Commonwealth, State and Territory officials to monitor the operation of the GST, make recommendations regarding possible changes to the GST base and rate and to monitor the ATO’s performance in GST administration. The GST Administration Sub-Committee will function in accordance with the arrangements set out in Appendix E to this Agreement.

Intergovernmental Agreement Implementation (GST) Act 2000 No 44

Schedule 1 Intergovernmental Agreement on the Reform of Commonwealth–State  
Financial Relations

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SIGNED for and on behalf of the Parties by:

The Honourable John Winston Howard,  
Prime Minister of the Commonwealth of Australia,  
on the 20th day of June 1999  
in the presence of: }

The Honourable Robert John Carr,  
Premier of the State of New South Wales,  
on the 24th day of June 1999  
in the presence of: }

The Honourable Jeffrey Gibb Kennett,  
Premier of the State of Victoria,  
on the 26th day of June 1999  
in the presence of: }

The Honourable Peter Douglas Beattie,  
Premier of the State of Queensland,  
on the 25th day of June 1999  
in the presence of: }

The Honourable Richard Fairfax Court,  
Premier of the State of Western Australia,  
on the 29th day of June 1999  
in the presence of: }

The Honourable John Wayne Olsen,  
Premier of the State of South Australia,  
on the 25th day of June 1999  
in the presence of: }

The Honourable James Alexander Bacon,  
Premier of the State of Tasmania,  
on the 25th day of June 1999  
in the presence of: }

Kate Carnell,  
Chief Minister of the Australian Capital Territory,  
on the 22nd day of June 1999  
in the presence of: }

The Honourable Denis Gabriel Burke,  
Chief Minister of the Northern Territory of Australia,  
on the 22nd day of June 1999  
in the presence of: }

## APPENDICES

- A: Taxes Subject to Reform
- B: Payment of GST Revenues to the States and Territories
- C: Transitional Arrangements
- D: First Home Owners Scheme
- E: GST Administration
- F: GST Administration Performance Agreement—Guiding Principles

## APPENDIX A

### TAXES SUBJECT TO REFORM

The taxes which will cease to apply in accordance with paragraph 5 of this Agreement are set out below and in the relevant Commonwealth, State and Territory statutes as at 13 November 1998.

- A1. The following taxes will cease to apply from 1 July 2000:
  - (i) *Wholesale Sales Tax*  
Sales tax levied on the value of the last wholesale sale of goods sold or otherwise dealt with as imposed by the Commonwealth's *Sales Tax (Imposition) Acts*.
  - (ii) *Bed Taxes*  
Accommodation taxes levied on the cost of temporary residential accommodation.
- A2. The following State and Territory taxes will cease to apply from 1 July 2001:
  - (i) *Financial Institutions Duty*  
Financial Institutions Duty levied on the value of receipts (credits) at financial institutions and on the average daily liabilities and/or investments of short term money market dealers.
  - (ii) *Stamp Duty on Marketable Securities*  
Stamp duty levied on turnover (ie sale price times quantity traded) on the transfer of marketable securities quoted on the ASX or another recognised stock exchange.  
This excludes transfers of marketable securities in private companies and trusts, and in public companies and trusts where the securities are not quoted on the ASX or another recognised stock exchange.
- A3. The following State and Territory tax will cease to apply by 1 July 2005, subject to review by the Ministerial Council:

- 
- (i) *Debits Tax*  
Debits tax levied on the value of withdrawals (debits) from accounts with financial institutions with cheque drawing facilities.  
Debits duty levied on transactions, including credit card transactions. This does not include stamp duty on electronic debits (refer A4 (v) below).
- A4. The Ministerial Council will by 2005 review the need for retention of stamp duties on the following:
- (i) *Stamp Duty on Non-residential Conveyances*  
Stamp duty levied on the value of conveyances other than residential property conveyances.
- (ii) *Stamp Duty on Non-quotable Marketable Securities*  
Stamp duty levied on transfers of marketable securities in private companies and trusts, and in public companies and trusts where the securities are not quoted on the ASX or another recognised stock exchange.
- (iii) *Stamp Duty on Leases*  
Stamp duty levied on the rental payable under tenancy agreements.
- (iv) *Stamp Duty on Mortgages, Bonds, Debentures and Other Loan Securities*  
Stamp duty levied on the value of a secured loan property.
- (v) *Stamp Duty on Credit Arrangements, Installment Purchase Arrangements and Rental Arrangements*  
Stamp duty levied on the value of the loan under credit arrangements.  
Stamp duty levied on credit business in respect of loans made, discount transactions and credit arrangements.  
Stamp duty levied on the price of goods purchased under installment purchase arrangements.  
Stamp duty levied on the rent paid in respect of the hire of goods, including consumer and producer goods.
- (vi) *Stamp Duty on Cheques, Bills of Exchange and Promissory Notes*  
Stamp duty levied on cheques, bills of exchange, promissory notes, or other types of payment orders, promises to pay or acknowledgment of debts, including duty on electronic debits.

## **APPENDIX B**

### **PAYMENT OF GST REVENUES TO THE STATES AND TERRITORIES**

- B1. Subject to the transitional arrangements and other relevant provisions in this Agreement, the Commonwealth will distribute GST revenue grants among the States and Territories in accordance with horizontal fiscal equalisation (HFE) principles.
- B2. The pool of funding to be distributed according to HFE principles in a financial year will comprise GST revenue grants and health care grants as defined under an Australian Health Care Agreement between the Commonwealth and the States and Territories. A State or Territory's share of the pool will be based on its population share, adjusted by a relativity factor which embodies per capita financial needs based on recommendations of the Commonwealth Grants Commission. The relativity factor for a State or Territory will be determined by the Commonwealth Treasurer after he has consulted with each State and Territory.
- B3. The total amount of GST revenue to be provided to the States and Territories in a financial year will be defined as:
- (i) the sum of GST collections, voluntary and notional payments made by government bodies, and amounts withheld pursuant to clause 18, reduced by
  - (ii) the amounts paid or applied under Division 35 of the GST Act and under section 39 of the *Taxation Administration Act 1953*.
- B4. The total amount of GST revenue in a financial year will be determined by the Commissioner of Taxation in the following way:
- (i) actual outcomes for the items listed in paragraph B3 for the period 1 July to 31 May, plus
  - (ii) estimated outcomes for the items listed in paragraph B3 for the month of June, plus
  - (iii) an adjustment amount (which may be positive or negative) to account for any difference between the estimated and actual outcome for the items listed in paragraph B3 for the month of June in the previous year.
- B5. GST revenue grants will be paid by the Commonwealth on the twenty-seventh day of each month. Where the scheduled payment day is a Saturday, Sunday or public holiday in Canberra, the payment will be made on the next business day of the Reserve Bank of Australia in Canberra.

- 
- B6. The States and Territories shall be informed of the quantum of each monthly payment by close of business Canberra time on the twenty sixth day of each month. Where the day is a Saturday, Sunday or public holiday in Canberra, the States and Territories shall be informed of the quantum of the payment on the last business day of the Reserve Bank of Australia in Canberra prior to payment day.
- B7. The distribution between the States and Territories of the payments of GST revenue grants up to 15 June in each year will be based on:
- (i) the Treasurer’s determination of per capita relativities,
  - (ii) the latest available Australian Bureau of Statistics’ projections, or estimates, of State and Territory populations as at 31 December,
  - (iii) the latest available Department of Health and Aged Care estimates of health care grants to be provided to a State or Territory, and
  - (iv) the latest available estimates of the guaranteed minimum amount for each State and Territory to be calculated under Appendix C of this Agreement.
- The Commonwealth will inform the States and Territories of any changes to the estimates as part of the advice to be provided to the States and Territories under paragraph B6.
- B8. The payments of GST revenue grants after 15 June in each year will take into account the determinations of:
- (i) per capita relativities and Guaranteed Minimum Amounts by the Treasurer,
  - (ii) populations by the Statistician,
  - (iii) health care grants by the Minister administering the *National Health Act 1953*, and
  - (iv) GST revenues by the Commissioner of Taxation.
- For this purpose, the final payment will be made no later than the seventeenth day of June in each year. Where the seventeenth day of June is a Saturday, Sunday or public holiday in Canberra, the payment will be made on the next business day of the Reserve Bank of Australia in Canberra.
- B9. States shall be informed of the quantum of the final monthly payment of GST revenues grants by close of business Canberra time on the sixteenth day of June. Where the sixteenth day of June is a Saturday, Sunday or public holiday in Canberra, the Commonwealth shall inform the States of the quantum of the final payment on the last business day of the Reserve Bank of Australia in Canberra prior to the thirteenth.
- B10. The timing of payments of GST revenue grants may be varied by agreement between the Parties to this Agreement.

## APPENDIX C

### TRANSITIONAL ARRANGEMENTS

#### Guarantee in Legislation

- C1. Commonwealth legislation will provide a State or Territory with an entitlement to an additional amount of funding from the Commonwealth to offset any shortfall between its entitlement to GST revenue grants and the total amount of funding which would ensure that the budgetary position of a State or Territory is not worse off during the transition period.
- (i) In 2000–01, transitional assistance will be provided to a State or Territory as a grant or an interest free loan to be repaid to the Commonwealth in full in 2001–02.
  - (ii) In subsequent transitional years, transitional assistance will be provided to a State or Territory as a grant.

#### Guaranteed Minimum Amount

- C2. The amount of a State or Territory’s entitlement to transitional assistance in a financial year will be calculated by subtracting its entitlement to GST revenue grants from a “Guaranteed Minimum Amount” constructed in the following way:

State revenues forgone: financial assistance grants, revenue replacement payments and State and Territory taxes as defined in Appendix A of this Agreement with the exception of stamp duties on marketable securities which will be the amount as if fully abolished.

**plus**

Reduced revenues: the amount by which States and Territories adjust gambling taxation arrangements to take account of the impact of the GST on gambling operators.

**plus**

Interest costs on cash flow shortfalls: the interest cost incurred by States and Territories as a result of the change to cash flows arising from the replacement of weekly financial assistance grants, revenue replacements and State and Territory taxes with monthly GST revenue grants.

**plus**

Loan Repayments: in 2001–02 only, the repayment of a guarantee loan by a State or Territory.

**plus**

Additional expenditures: payments to first home owners in accordance with Appendix D of this Agreement and the amount of the agreed GST administration costs payable to the ATO by a State or Territory.

**plus**

Other items: \$338 million spread evenly over three years starting in 2000–01 in respect of the claim by States and Territories in relation to revenue forgone from the abolition of the Wholesale Sales Tax (WST) Tax Equivalent Regimes (with the distribution to be agreed among the States and Territories).

**minus**

Reduced expenditures: off-road diesel subsidies and reduced costs from the removal of embedded WST and excises on purchases by a State or Territory government.

**minus**

Growth dividend: the increase in revenue to a State or Territory (not including GST revenue payments) that is attributable to the impact of the Commonwealth's taxation reform measures on economic growth.

**plus**

Adjustments: from 2001–02, the net difference between preliminary estimates and outcomes or final estimates for items that were taken into account in the previous year's Guaranteed Minimum Amount.

In addition, \$269 million in total, spread evenly over three years, will be included in the new Commonwealth State Housing Agreement starting in 2000–01 in respect of the net increased public housing costs as a result of tax reform (with the distribution to be agreed among the States and Territories).

**Heads of Treasuries' Advice to Ministerial Council**

- C3. The Guaranteed Minimum Amount for a State or Territory will be determined by the Commonwealth Treasurer by 10 June of each year of the transition period. The Ministerial Council will make recommendations to the Treasurer on the Guaranteed Minimum Amount for each State and Territory.
- C4. The Heads of Treasuries will provide written advice to the Ministerial Council on the following issues by the indicated dates.

- (i) By 1 March 2000, advice on the estimated loans and grants to be provided to each State and Territory in 2000–01 and the amounts which the Commonwealth should provide to each State and Territory on Tuesday 4 July 2000.
- (ii) By 1 November 2000 advice on the most recent estimates of transitional assistance for the year and any adjustment that may need to be made to the amount of the loans and grants made to each State and Territory.
- (iii) By 1 September of each subsequent year of the transition period, advice on the most recent estimates of the transitional assistance to be provided to each State and Territory in the financial year and the installment amounts which the Commonwealth should provide to each State and Territory on the first Tuesday of the following October and January. This advice should identify the adjustments for the net difference between preliminary estimates and outcomes or final estimates for items that were taken into account in the previous year's Guaranteed Minimum Amount for a State or Territory.
- (iv) By 1 March of each subsequent year of the transition period, advice on the most recent estimates of the transitional assistance to be provided to each State and Territory in both the current financial year and the next financial year, and the installment amounts which the Commonwealth should provide to each State and Territory on the first Tuesday of the following April and July.
- (v) By 1 June of each year of the transition period, advice on the Guaranteed Minimum Amount for each State and Territory in the current financial year.

#### **Frequency and Amounts of Payments and Repayments**

- C5. In each year of the transitional period after 2000–01, the Commonwealth will provide an installment of the guarantee payment to a State or Territory on the first Tuesday (or the first business day thereafter) of January, April, July and October. The installment amounts will reflect the advice to be provided to the Ministerial Council by the Heads of Treasuries under paragraph C4.
- C6. Adjustments to the total amount of additional assistance to a State or Territory in light of actual GST collections and the Treasurer's determination of the Guaranteed Minimum Amount will be made in conjunction with the payments of GST revenue grants after 10 June in each year.

- 
- C7. A State or Territory will repay a loan which it receives from the Commonwealth in 2000–01 in quarterly installments in 2001–02. These installments will be paid to the Commonwealth on the same day on which a State or Territory receives an amount of GST revenue grants in the months of July, October, January and April.
- C8. The methodology for calculating the amounts of particular components of the Guaranteed Minimum Amount for a State or Territory has been agreed by the Heads of Treasuries and is set out in the document titled *Methodology for Estimation of Components of the Guaranteed Minimum Amount*.

## **APPENDIX D**

### **FIRST HOME OWNERS SCHEME**

#### **Principles**

- D1. The States and Territories will make legislative provision for the First Home Owners Scheme (FHOS) from 1 July 2000 which will incorporate programme criteria consistent with the following principles:
- (i) Eligible applicants will be entitled to \$7,000 assistance (per application) on eligible homes under the FHOS.
  - (ii) Assistance will be available directly as a one off payment. If the recipient expressly consents, it may be available as an offset against statutory levies and charges or some combination of these.
  - (iii) Eligible applicants must be natural persons who are Australian citizens or permanent residents who are buying or building their first home in Australia. An applicant's spouse (or de facto) must be included on the application.
  - (iv) To qualify for assistance, neither the applicant or the applicant's spouse (or de facto) must have previously owned a home, either jointly, separately or with some other person.
  - (v) Entering into a binding contract or commencement of building in the case of owner builders, must have occurred on or after 1 July 2000.
  - (vi) An eligible home will be a new or established house, home unit, flat or other type of self contained fixed dwelling that meets local planning standards. Fixed dwellings will include demountable dwellings where these meet local planning standards.
  - (vii) An eligible home must be intended to be a principal place of residence and occupied within a reasonable period. The home must be located in the State or Territory in which the application is made. Applicants who

have entered into a financing mechanism which involves a shared equity arrangement will be eligible.

- (viii) Assistance will not be means tested.
- (ix) The relevant State and Territory legislation will contain adequate administrative review and appeal mechanisms, along with provision to prevent abuse of the FHOS. The States and Territories will cooperate in the exchange of information to identify eligible first home owners.

**Other matters**

- D2. Funding of grants under the FHOS may not be drawn from Home Purchase Assistance (HPA) funds provided through the Commonwealth State Housing Agreement, including the pool of existing HPA revenues.
- D3. Further details concerning eligibility criteria consistent with the above principles are to be agreed between the Commonwealth and each State and Territory.
- D4. The States and Territories will not introduce or vary any taxes or charges associated with home purchase with the intention of offsetting the benefits of the FHOS for recipients.

**APPENDIX E**

**GST ADMINISTRATION**

- E1. The Commissioner of Taxation has the general administration of the GST law.
- E2. The ATO will arrange for the Australian Customs Service to assist with the collection of the GST on imports.
- E3. During the first 12 months following the implementation of the GST, the Commonwealth will retain the discretion to make changes to the GST base of an administrative nature. For this purpose, changes of an administrative nature involves legislation necessary to:
  - (i) protect the integrity of the GST base, or
  - (ii) prevent tax avoidance.
- E4. The Commonwealth will include the definition of change of an administrative nature in the *A New Tax System (Commonwealth-State Financial Arrangements) Bill 1999*.
- E5. From July 2001, changes of an administrative nature as defined in E3 will require the majority support of the Commonwealth, States and Territories.

- 
- E6. The GST Administration Sub-Committee, which will commence operation from 1 July 1999, will monitor the operation and administration of the GST and make recommendations regarding modifications to the GST and the administration of the GST.
- E7. The GST Administration Sub-Committee will comprise officials from each Party to the Agreement including representatives from the ATO as required. The Commonwealth Treasury will chair the GST Administration Sub-Committee.
- E8. The Chair will convene the GST Administration Sub-Committee in consultation with other members of the Sub-Committee as often as may be necessary to conduct its business. If the Chair receives a request from a member of the Sub-Committee, the Chair will consult with the other members concerning convening a meeting.
- E9. The functions of the Sub-Committee will include:
- (i) monitoring the performance of the ATO in the administration of the GST (Appendix F of this Agreement),
  - (ii) the assessment of policy proposals for the modification of the GST rate and base,
  - (iii) making recommendations to the Ministerial Council on the need for legislation which might significantly affect the GST base, and
  - (iv) requesting the ATO to produce draft Public Rulings in specified areas.
- E10. The States and Territories will be consulted on draft Public Rulings prior to consideration by the ATO Rulings Panel and before public consultation. There will be a representative from the States and Territories on the ATO Rulings Panel in relation to GST matters.
- E11. Public rulings will not be referred to the Ministerial Council. However, the GST Administration Sub-Committee will refer a proposed GST change to the Ministerial Council for consideration if the Sub-Committee is of the view that the change could have a significant impact on GST revenues and so warrants Ministerial review.
- E12. Draft legislation which might significantly affect the GST base will be forwarded through the GST Administrative Sub-Committee to the Ministerial Council for consideration.

## **APPENDIX F**

### **GST ADMINISTRATION PERFORMANCE AGREEMENT—GUIDING PRINCIPLES**

#### **Preamble**

F1. This Appendix outlines the principles that will guide the subsequent development of a GST Administration Performance Agreement (the Performance Agreement) between the ATO and its agents, and the States and Territories (the Parties).

#### **Objectives and Context of the Performance Agreement**

F2. The purpose of the Performance Agreement is to provide accountability between the ATO and the States and Territories on behalf of whom the GST revenue is being collected. It also provides an agreed basis for the GST Administration Sub-Committee to monitor the administration of the GST by the ATO and its agents in return for the agreed GST administration costs being paid by the States and Territories.

F3. The Performance Agreement will reflect the commitment by the Parties to:

- (i) achieving world’s best practice for GST administration in Australia,
- (ii) a cost-effective and transparent GST administration, and
- (iii) a cooperative relationship between the Parties.

F4. The Performance Agreement will recognise that achievement of world’s best practice GST administration, including cost-effectiveness, is dependent on the GST policy framework and integrated administrative design.

F5. The Performance Agreement will be consistent with the arrangements set out in this Intergovernmental Agreement.

#### **Components of Agreement**

F6. The Performance Agreement will include outcomes to be achieved, budgeting arrangements and monitoring and review arrangements for the purposes of maintaining accountability and transparency of operations. The Performance Agreement will also include the process for raising matters of operational significance with the Ministerial Council.

### **Outcomes**

F7. The Performance Agreement will stipulate performance outcomes and appropriate benchmarks to be achieved by the ATO. These outcomes may include, but are not limited to: revenue, taxpayer registration, compliance, reporting, education and legislative review. Consistent with the objectives of the Agreement, the benchmarks are to reflect world best practice in GST administration.

### **Cost of Administration**

F8. The Performance Agreement will outline the Commonwealth administration activities that are GST related for the purposes of agreeing the GST administration costs.

F9. The Performance Agreement will stipulate arrangements for an audit of GST costs and the systems for the control of GST costs.

F10. The Performance Agreement will outline the process and timing of consultation for developing/modifying budgets and business plans for GST administration. These budgets and business plans will be developed, and/or revised, in an appropriate and timely manner so as to broadly accord with Commonwealth arrangements for funding agency operations.

F11. The Performance Agreement will recognise that the States and Territories will fully compensate the Commonwealth for the agreed costs of administering the GST.

### **Monitoring and Review**

F12. The Performance Agreement will stipulate the:

- (i) number and timing of formal reports by the ATO to the Sub-Committee,
- (ii) number and timing of progress reports by the ATO to the Sub-Committee, and
- (iii) arrangements for special briefings on particular issues.

F13. The Parties to the Performance Agreement will ensure appropriate alignment of ATO Parliamentary reporting responsibilities and reporting responsibilities under the Performance Agreement.

F14. The Performance Agreement will stipulate that ATO reports to the Sub-Committee on outcomes will include:

- (i) updates on relevant internal governance arrangements, including appropriate strategic plans and annual and other relevant reports that scrutinise aspects of GST operations (including annual and other relevant reports from the Australian National Audit Office),
- (ii) accrual-based financial reports,
- (iii) key outcome performance indicators (including, registrations, revenue, refunds, costs, key processing workloads, Taxpayer Charter standards and international benchmark comparisons),
- (iv) litigation and public ruling information,
- (v) updates on relevant compliance and cost-of-compliance research,
- (vi) administrative base issues, and
- (vii) commentary on administrative performance and any key emerging GST compliance issues and related initiatives.

F15. The Performance Agreement will ensure that the States and Territories will have access to GST data held by the ATO subject to statutory limitations.

#### **Matters of Operational Significance**

F16. The Performance Agreement will outline arrangements for raising matters of operational significance with the Ministerial Council. Matters of operational significance may include disputes over the interpretation of the Performance Agreement and non-performance by the ATO against agreed targets. The Performance Agreement will ensure that the ATO will have the opportunity to provide direct advice to the Ministerial Council on any matters submitted to the Council.

#### **Development of Agreement**

F17. The Performance Agreement will be developed by the GST Administration Sub-Committee and representatives of the ATO. The Performance Agreement is to be developed with reference to both:

- (i) the guiding principles outlined in this Appendix, and
- (ii) actual GST performance data (including revenue) in the Australian context, gathered during the transitional years.

F18. The Performance Agreement is to be finalised by the end of the GST transitional year ending June 2002. The Performance Agreement is to be endorsed by the Ministerial Council prior to being signed.

F19. The Performance Agreement will stipulate the process for its amendment.

### **Transitional Arrangements**

- F20. The ATO and the GST Administration Sub-Committee will discuss key operational issues and costs commencing in October 1999 and on a semiannual basis throughout the GST transitional year ending 30 June 2002.
- F21. The ATO will arrange for an audit of the systems for the control of GST costs and the GST costs incurred during the period from 1 July 1999 to the date of the signing of the Performance Agreement by the Parties.
- F22. The ATO will undertake to establish, by the end of the Transitional year ending 30 June 2002, final GST benchmarking arrangements with relevant overseas administrations, subject to their agreement. The ATO will discuss benchmarking plans with the GST Administration Sub-Committee.

## Schedule 2 Amendment of Duties Act 1997 No 123

(Section 8)

### Part 1 Duty on quoted marketable securities

#### [1] Section 11 What is “dutiable property”?

Omit section 11 (d) and the note to that paragraph. Insert instead:

- (d) shares:
  - (i) in a NSW company, or
  - (ii) in a corporation incorporated outside Australia that are kept on the Australian register kept in New South Wales,

**Notes.** “Shares” is defined in the Dictionary to include rights to shares.

Some shares (namely, shares quoted on the ASX or a recognised stock exchange) are not dutiable property—see subsection (2).

#### [2] Section 11 (e)

Omit the note to that paragraph. Insert instead:

**Notes.** “Units” is defined in the Dictionary to include rights to units.

Some units (namely, units quoted on the ASX or a recognised stock exchange) are not dutiable property—see subsection (2).

#### [3] Section 11 (f)

Omit the paragraph and the note to that paragraph.

#### [4] Section 11 (l) (iii)

Omit the sub-paragraph. Insert instead:

- (iii) it is an interest in a marketable security, being an interest that is traded on the Sydney Futures Exchange.

**[5] Section 11 (2)**

Insert at the end of section 11:

- (2) Despite subsection (1), the following marketable securities are not dutiable property:
  - (a) shares, or units in a unit trust scheme, that are quoted on the Australian Stock Exchange or a recognised stock exchange,
  - (b) an interest in shares or units referred to in paragraph (a), whether or not the interest is quoted on the Australian Stock Exchange or a recognised stock exchange.

**[6] Section 15 Necessity for written instrument or written statement**

Omit section 15 (3).

**[7] Section 15 (4)**

Omit the subsection. Insert instead:

- (4) If a dutiable transaction is completed or evidenced by a written instrument within 3 months after the date on which the dutiable transaction occurs, the requirement to lodge a statement and pay duty in respect of the statement may be satisfied by the lodgment of and payment of duty on the written instrument within 3 months after the date on which the dutiable transaction occurs.

**[8] Section 16 Lodging written instrument or written statement with Chief Commissioner**

Omit section 16 (2).

**[9] Section 17 When must duty be paid?**

Omit section 17 (2).

**[10] Section 33 Shares, units, derivatives and interests (marketable securities)**

Omit “, other than marketable securities to which subsection (2) applies,” from section 33 (1).

**[11] Section 33 (2)**

Omit the subsection and note to that subsection.

**[12] Section 33 (3)**

Omit the subsection. Insert instead:

- (3) A minimum rate of duty of \$10 is chargeable under this section in respect of a transfer of shares of a corporation that is not the legal or beneficial owner of land in New South Wales.

**[13] Section 33, note**

Insert after section 33:

**Note.** Transactions in respect of shares or units that are quoted on the Australian Stock Exchange or a recognised stock exchange, or interests in such shares or units, are not dutiable transactions (see section 11 (2)).

**[14] Chapter 2, Part 4**

Omit the Part.

**[15] Section 58 Establishment of a trust relating to unidentified property and non-dutiable property**

Insert after section 58 (5):

- (6) This section does not apply in respect of any property that is a marketable security, if the marketable security is not dutiable property because of section 11 (2).

**[16] Section 59A**

Insert after section 59:

**59A Nomineeing transactions—unquoted marketable securities**

Duty of \$10 is chargeable in respect of a transfer of marketable securities, other than marketable securities that are not dutiable property, between any of the following persons:

- (a) the beneficial owner,  
(b) a trustee or nominee of the beneficial owner,

- 
- (c) a custodian of a trustee or nominee of the beneficial owner,
  - (d) a sub-custodian of a custodian of a trustee or nominee of the beneficial owner,
- but only if:
- (e) there is no change in the beneficial ownership of the marketable securities, and
  - (f) if the transferee is a person referred to in paragraph (b)–(d), the transferee is to hold the marketable securities solely for another person referred to in paragraph (a)–(c) and there is no contemplation of the marketable securities being held for any other person, and
  - (g) if the transferor is a person referred to in paragraph (b)–(d), the marketable securities were held by the person solely for another person referred to in paragraph (a)–(c) and, since the time when the marketable securities were first transferred or issued to the transferor, no person has held the marketable securities other than solely for a person referred to in paragraph (a)–(c).

**[17] Section 64B**

Insert after section 64A:

**64B Reduction of duty on transfer of marketable securities—payment in non-Australian jurisdiction**

- (1) The amount of duty chargeable under this Chapter on a transfer of marketable securities is to be reduced by the amount of duty of a similar kind paid in relation to the transfer in accordance with the law of a place outside Australia.
- (2) In this section, a reference to a transfer of marketable securities includes a reference to a dealing or arrangement affecting marketable securities by means of a dutiable transaction other than a transfer.

**[18] Section 66 Exemptions—marketable securities**

Omit section 66 (1)–(4), (8) and (9) and the headings to those subsections.

**[19] Section 66 (8A)**

Omit the subsection and the heading to the subsection. Insert instead:

**(8A) ADRs**

No duty is chargeable under this Chapter on a transfer, or an agreement for the sale or transfer, of an ADR if:

- (a) the ADR relates to rights to shares that upon issue, on exercise of those rights, will be quoted on the Australian Stock Exchange or a recognised stock exchange, and
- (b) the transfer, or the sale or transfer to which the agreement relates, is to:
  - (i) a foreign resident on the foreign resident's own behalf, or
  - (ii) a foreign resident acting on behalf of a trustee for another foreign resident, and
- (c) the ADR is to be registered on an overseas register of legal or beneficial title.

**[20] Section 66, note**

Insert after section 66:

**Note.** No duty is chargeable on transactions relating to shares or units that are quoted on the Australian Stock Exchange or a recognised stock exchange or relating to interests in such shares or units (see section 11 (2)).

**[21] Section 125 Definitions**

Omit the definition of *company* from section 125 (1). Insert instead:

*company* means a NSW company that is:

- (a) a public company within the meaning of the *Corporations Law*, and
- (b) not listed on the Australian Stock Exchange or a recognised stock exchange.

**[22] Section 131 Assessment of duty**

Omit the section. Insert instead:

**131 Assessment of duty**

A statement required to be lodged under this Part by a person is chargeable with duty of 60 cents for every \$100, or part, of the higher of:

- (a) the total or aggregate obtained under section 130 (d), and
- (b) the total obtained under section 130 (e).

**[23] Section 138 Application of Part 5**

Insert “that is not listed on the Australian Stock Exchange or a recognised stock exchange” after “NSW company”.

**[24] Chapter 4 Marketable securities—on-market transfers (Broker provisions)**

Omit the Chapter.

**[25] Section 273 Minimum amount of duty**

Omit section 273 (2). Insert instead:

- (2) This section does not apply to Chapter 8 (Insurance).

**[26] Section 290 Adhesive stamps**

Omit section 290 (1) (a) and (b).

**[27] Section 290 (1) (c)**

Omit the paragraph. Insert instead:

- (c) a transfer of shares of a corporation or company which is not the legal or beneficial owner of land in New South Wales where the duty is \$10,

**[28] Section 302 Registration of transfers of shares**

Omit the section.

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**[29] Section 303 Registration of transfers of units**

Omit the section.

**[30] Schedule 1 Savings, transitional and other provisions**

Insert at the end of clause 1 (1):

*Intergovernmental Agreement Implementation (GST) Act 2000*

**[31] Schedule 1**

Insert at the end of Schedule 1 (with appropriate Part and clause numbers):

**Part Provisions consequent on enactment of  
Intergovernmental Agreement  
Implementation (GST) Act 2000**

**Application of Act to transfers and agreements before 1 July  
2001**

- (1) This Act, as in force immediately before 1 July 2001, continues to apply in respect of a transaction involving marketable securities that occurred before 1 July 2001 as if this Act had not been amended by the *Intergovernmental Agreement Implementation (GST) Act 2000*.
- (2) In particular:
  - (a) until 1 July 2001, a marketable security that is quoted on the Australian Stock Exchange or a recognised stock exchange continues to be dutiable property and Chapter 2 of this Act, as in force immediately before 1 July 2001, continues to apply to a dutiable transaction involving such a marketable security that occurred before 1 July 2001, and
  - (b) Chapter 4 of this Act, as in force immediately before 1 July 2001, continues to apply to a sale or purchase of marketable securities, or an associated transaction with a broker in New South Wales, that was effected before 1 July 2001 in the same way as it applied before the repeal of that Chapter by the *Intergovernmental Agreement Implementation (GST) Act 2000*.

- (3) However, section 48 (1), as in force immediately before its repeal by the *Intergovernmental Agreement Implementation (GST) Act 2000*, does not apply in respect of an instrument of transfer, or an agreement for the transfer of marketable securities, that is not completed by an SCH-regulated transfer before 1 July 2001.

**[32] Dictionary**

Omit the definitions of *broker*, *CHESS*, *CUFS*, *futures broker*, *futures contract*, *identification code*, *index trust*, *instalment warrant*, *IR*, *proper SCH transfer*, *registered independent options trader*, *relevant interest*, *relevant SCH participant*, *SCH*, *SCH business rules*, *SCH participant*, *SCH-regulated transfer*, *SEATS*, *transfer document*, *transfer identifier for an SCH-regulated transfer*, *transfer value of marketable securities*, *warrant* and *warrant-issuer*.

**[33] Dictionary, definition of “marketable securities”**

Omit the definition. Insert instead:

*marketable securities* means the following:

- (a) shares referred to in section 11 (1) (d),
- (b) units referred to in section 11 (1) (e),
- (c) an interest in shares or units referred to in paragraph (a) or (b).

**[34] Dictionary, definition of “private company”**

Omit “listed”. Insert instead “quoted”.

**[35] Dictionary, definition of “recognised stock exchange”**

Omit the definition. Insert instead:

*recognised stock exchange* means:

- (a) a stock exchange that is a member of the Fédération Internationale des Bourses de Valeurs, or
- (b) the Stock Exchange of Newcastle, or
- (c) a stock exchange that is declared to be a recognised stock exchange by an order of the Minister, published in the Gazette, that is in force.

## Part 2 Other duties

### [36] Section 190 Payments exempted from “hiring charges”

Insert after section 190 (1) (e):

- (e1) any GST payable on the supply to which the hire of goods relates,

### [37] Section 266 What is the “dutiable value” of a motor vehicle?

Omit section 266 (2) (a). Insert instead:

- (a) GST if the supply of the vehicle is GST-free under Subdivision 38-P (Cars for use by disabled people) of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth, or

### [38] Dictionary

Insert in appropriate order:

*GST* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth except that it includes notional GST of the kind for which payments may be made under section 5 of the *Intergovernmental Agreement Implementation (GST) Act 2000* by a person who is a State entity within the meaning of that Act.

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## **Schedule 3 Amendment of Funeral Funds Act 1979 No 106**

(Section 8)

### **[1] Section 4 Definitions**

Insert in appropriate order in section 4 (1):

*GST* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth.

### **[2] Section 16A**

Insert after section 16:

#### **16A Payment of GST by funeral contribution fund**

Nothing in this Part or in the rules of a company prevents a company from applying income of the company to the payment of GST payable on the supply by the company of funeral benefits.

### **[3] Section 42A**

Insert after section 42:

#### **42A Payment of GST under pre-arranged contracts**

Nothing in this Part:

- (a) requires the payment into a trust fund or trust account, or
- (b) prevents the payment from a trust fund or trust account, in relation to a pre-arranged contract entered into on or after 1 December 1999 of GST payable on the supply of a funeral service under the pre-arranged contract.

## Schedule 4 Amendment of Liquor Act 1982 No 147

(Section 8)

### [1] Section 86K Rate of duty

Omit section 86K (1)–(4). Insert instead:

- (1) If the profits from all approved gaming devices kept by a hotelier in a duty period do not exceed \$25,000, duty is payable on the profits at the rate of 5.91%.
- (2) If the profits from all approved gaming devices kept by a hotelier in a duty period exceed \$25,000 but do not exceed \$400,000, duty is payable:
  - (a) in the sum of \$1,477.50, and
  - (b) on so much of the profits as exceeds \$25,000 but does not exceed \$400,000—at the rate of 15.91%.
- (3) If the profits from all approved gaming devices kept by a hotelier in a duty period exceed \$400,000 but do not exceed \$1,000,000, duty is payable:
  - (a) in the sum of \$61,140, and
  - (b) on so much of the profits as exceeds \$400,000 but does not exceed \$1,000,000—at the rate of 25.91%.
- (4) If the profits from all approved gaming devices kept by a hotelier in a duty period exceed \$1,000,000, duty is payable:
  - (a) in the sum of \$216,600, and
  - (b) on so much of the profits as exceeds \$1,000,000—at the rate of 30.91%.

### [2] Section 86K (5)

Omit “The rates”.

Insert instead “Except as provided by the *Intergovernmental Agreement Implementation (GST) Act 2000*, the rates”.

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**[3] Section 86KA Payment by instalments**

Omit section 86KA (3)–(6). Insert instead:

- (3) If the profits from all approved gaming devices kept by a hotelier in an instalment period do not exceed \$6,250, the instalment payable is an amount equal to 5.91% of those profits.
- (4) If the profits from all approved gaming devices kept by a hotelier in an instalment period exceed \$6,250 but do not exceed \$100,000, the instalment payable is:
  - (a) the sum of \$369.38, and
  - (b) an amount equal to 15.91% of the amount by which the profits exceed \$6,250 but do not exceed \$100,000.
- (5) If the profits from all approved gaming devices kept by a hotelier in an instalment period exceed \$100,000 but do not exceed \$250,000, the instalment payable is:
  - (a) the sum of \$15,285, and
  - (b) an amount equal to 25.91% of the amount by which the profits exceed \$100,000 but do not exceed \$250,000.
- (6) If the profits from all approved gaming devices kept by a hotelier in an instalment period exceed \$250,000, the instalment payable is:
  - (a) the sum of \$54,150, and
  - (b) an amount equal to 30.91% of the amount by which the profits exceed \$250,000.

**[4] Schedule 1 Savings and transitional provisions**

Insert at the end of clause 1 (1):

*Intergovernmental Agreement Implementation (GST) Act 2000*

## Schedule 5 Amendment of Pay-roll Tax Act 1971 No 22

(Section 8)

### Section 3AB

Insert after section 3AA:

#### 3AB GST excluded from wages

- (1) For the purposes of this Act, the amount or value of wages paid or payable to a person is to be reduced by the relevant proportion of the amount of GST, if any, payable by that person on the supply to which the wages relate.
- (2) In this section:

*GST* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth except that it includes notional GST of the kind for which payments may be made under section 5 of the *Intergovernmental Agreement Implementation (GST) Act 2000* by a person who is a State entity within the meaning of that Act.

*relevant proportion*, in relation to GST payable on a supply to which wages relate, means the proportion that the amount or value of the wages bears to the consideration (within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth) for the supply to which the wages relate.

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## **Schedule 6 Amendment of Petroleum Products Subsidy Act 1997 No 112**

(Section 8)

### **Part 1 Amendments to commence on 1 July 2000**

#### **[1] Section 3 Definitions**

Insert in appropriate order in section 3 (1):

*marine purpose* means the purpose of propelling diesel-engined marine vessels on water.

*off-road purpose* means any purpose (including a marine purpose) other than that of propelling diesel-engined road vehicles on roads.

#### **[2] Section 7A**

Insert after section 7:

##### **7A Cessation of certain subsidies**

Despite any other provision of this Part, a person is not entitled to a subsidy in relation to the sale or consumption, on or after 1 July 2000, of diesel fuel for off-road purposes.

#### **[3] Section 11 Definitions**

Omit the section.

### **Part 2 Amendments to commence on 9 December 2002**

#### **[4] Section 3 Definitions**

Omit the definitions of *authority* and *permit* from section 3 (1).

**[5] Section 5 Entitlement to subsidies**

Omit section 5 (1) (c).

**[6] Section 5 (3)**

Omit the subsection.

**[7] Part 4 Sales of diesel fuel for off-road use**

Omit the Part.

**[8] Section 25 Right of review**

Omit “or for an authority or permit,” from section 25 (1) (a).

**[9] Section 25 (1) (b) and (c) and (2)**

Omit “, authority or permit” wherever occurring.

**[10] Section 25 (2)**

Omit “or the holder of an authority or permit”.

**[11] Section 26 Applications**

Omit “, or an authority or permit”.

**[12] Section 27 False or misleading statements**

Omit “or for an authority or permit,” from section 27 (1) (a).

**[13] Section 27 (3)**

Omit the subsection.

**[14] Section 31 Regulations**

Omit “registered persons and the holders of authorities and permits” from section 31 (2) (c).

Insert instead “and registered persons”.

**[15] Section 31 (2) (e)**

Omit the paragraph. Insert instead:

- (e) prescribing fees payable on application for registration or renewal of registration.

## **Schedule 7 Amendment of Public Lotteries Act 1996 No 86**

(Section 8)

### **[1] Section 4 Definitions**

Insert in appropriate order in section 4 (1):

*outgoings* for a public lottery conducted by a licensee means the amount required to be paid by the licensee in accordance with section 26 (1) into the prize fund kept in respect of the licensee.

*player loss* on a public lottery conducted by a licensee means the difference between:

- (a) the subscriptions to the public lottery and, if the conditions of the licensee's licence so require, the commission payable in respect of those subscriptions, and
- (b) the outgoings for the public lottery.

### **[2] Section 28 Payment of general duty**

Omit "an amount equal to a requisite percentage of the subscriptions for those public lotteries." from section 28 (1).

Insert instead:

an amount equal to a requisite percentage of:

- (a) the subscriptions for those public lotteries, or
  - (b) the player loss on those public lotteries,
- as determined by the conditions of the licence.

### **[3] Section 29 Payment of licence duty**

Insert at the end of section 29 (4) (b):

, or

- (c) a percentage of the player loss on the public lotteries conducted by the licensee.

**[4] Section 33 Sharing of duty with participating areas**

Omit section 33 (3) (a). Insert instead:

- (a) so much of the duty as, in the opinion of the Treasurer, was paid to the Treasurer in respect of:
  - (i) subscriptions paid to any person in that participating area, being subscriptions to any public lottery in respect of which the area concerned is a participating area, or
  - (ii) player loss incurred in relation to a person who subscribed to the lottery in a participating area, and

**[5] Schedule 2 Savings, transitional and other provisions**

Insert at the end of clause 1 (1):

*Intergovernmental Agreement Implementation (GST) Act 2000*

## **Schedule 8 Amendment of Registered Clubs Act 1976 No 31**

(Section 8)

**[1] Section 87 Rate of duty for gaming machines**

Omit "\$100,000" from section 87 (1). Insert instead "\$200,000".

**[2] Section 87 (2)**

Omit the subsection.

**[3] Section 87 (3) and (4)**

Omit the subsections. Insert instead:

- (3) If the profits from all approved gaming devices kept on the premises of a registered club in a duty period exceed \$200,000 but do not exceed \$1,000,000, duty is payable on so much of the profits as exceeds \$200,000 but do not exceed \$1,000,000, at the rate of 10.91%.
- (4) If the profits from all approved gaming devices kept on the premises of a registered club in a duty period exceed \$1,000,000, duty is payable:
  - (a) in the sum of \$87,280, and
  - (b) on so much of the profits as exceeds \$1,000,000, at the rate of 17.16%, except as provided by subsection (5).

**[4] Section 87 (11)**

Insert "and the *Intergovernmental Agreement Implementation (GST) Act 2000*" after "section 87AA".

**[5] Section 87A Payment by instalments**

Omit "\$25,000" from section 87A (3). Insert instead "\$50,000".

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**[6] Section 87A (4)**

Omit the subsection.

**[7] Section 87A (5) and (6)**

Omit the subsections. Insert instead:

- (5) If the profits from all approved gaming devices kept on the premises of a registered club in an instalment period exceed \$50,000 but do not exceed \$250,000, the instalment payable is an amount equal to 10.91% of the amount by which the profits exceed \$50,000 but do not exceed \$250,000.
- (6) If the profits from all approved gaming devices kept on the premises of a registered club in an instalment period exceed \$250,000, the instalment payable is:
  - (a) in the sum of \$21,820, and
  - (b) an amount equal to 15.66% of the amount by which the profits exceed \$250,000.

**[8] Schedule 2 Transitional provisions**

Insert at the end of clause 1A (1):

*Intergovernmental Agreement Implementation (GST) Act 2000*

**[9] Schedule 2**

Insert at the end of Schedule 2 (with appropriate Part and clause numbers):

**Part Intergovernmental Agreement Implementation (GST) Act 2000**

**Introduction of GST—instalment period commencing on 1 June 2000**

- (1) This clause applies to determine the duty payable on profits derived from approved gaming devices kept on the premises of a registered club during the instalment period commencing on 1 June 2000.

- (2) If the profits from all approved gaming devices kept on the premises of a registered club in the instalment period to which this clause applies do not exceed \$25,000, no duty is payable on the profits.
- (3) If the profits from all approved gaming devices kept on the premises of a registered club in the instalment period to which this clause applies exceed \$25,000 but do not exceed \$50,000, duty is payable on so much of the profits as exceeds \$25,000 but do not exceed \$50,000, at the rate of 0.33%.
- (4) If the profits from all approved gaming devices kept on the premises of a registered club in the instalment period to which this clause applies exceed \$50,000 but do not exceed \$250,000, duty is payable:
  - (a) in the sum of \$82.50, and
  - (b) on so much of the profits as exceed \$50,000 but do not exceed \$250,000, at the rate of 13.87%.
- (5) If the profits from all approved gaming devices kept on the premises of a registered club in the instalment period to which this clause applies exceed \$250,000, duty is payable:
  - (a) in the sum of \$27,822.50, and
  - (b) on so much of the profits as exceed \$250,000, at the rate of 18.62%.

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## **Schedule 9 Amendment of Retail Leases Act 1994 No 46**

(Section 8)

### **[1] Section 3 Definitions**

Insert in appropriate order:

*GST* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth and includes notional GST of the kind for which payments may be made under section 5 of the *Intergovernmental Agreement Implementation (GST) Act 2000* by a person who is a State entity within the meaning of that Act.

### **[2] Section 3 Definition of “outgoings”**

Insert “or is the supplier of a taxable supply (within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth) in respect of any such building or land” after “erected” in paragraph (b).

### **[3] Section 20 Turnover rent**

Omit section 20 (1) (j). Insert instead:

(j) the amount paid or payable by the lessee as GST,

### **[4] Section 22A**

Insert after section 22:

#### **22A Recovery by lessor of GST**

- (1) An agreement that was made between a lessor and a lessee before the date of commencement of this section (whether or not the agreement is contained in a lease) to the extent to which:
  - (a) it provides for the payment by or recovery from the lessee of the amount of any GST payable in respect of the lease, and

(b) it complies with the ACCC price exploitation guidelines,

is valid and is taken at all relevant times to have been validly made.

- (2) In this section, **ACCC price exploitation guidelines** means *Price Exploitation and the New Tax System: General Principles, Information and Guidelines on When Prices Contravene Section 75AU of the Trade Practices Act 1974* published by the Australian Competition and Consumer Commission in March 2000.
- (3) This section has effect despite any other provision of this Act.

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## **Schedule 10 Amendment of Stamp Duties Act 1920 No 47**

(Section 8)

### **[1] Section 98I Registration**

Insert after section 98I (7):

- (8) Nothing in this section requires a designated person to apply to the Chief Commissioner for registration under this Division in respect of receipts received:
  - (a) in a period of 12 months ending on or after 30 June 2001, or
  - (b) in a month ending on or after 30 June 2001.

### **[2] Section 98MA**

Insert after section 98M:

#### **98MA Receipts returns not required for periods after 1 July 2001**

Nothing in this Subdivision requires a person (including a designated person or a registered person) in respect of any period commencing on or after 1 July 2001:

- (a) to make out a receipts return, or
- (b) to stamp a return with duty as on a receipts return, or
- (c) to lodge a return with the Chief Commissioner, or
- (d) to pay to the Chief Commissioner an amount as stamp duty.

### **[3] Section 98P Short term dealer's account**

Insert at the end of the section:

- (2) This section does not apply to an amount paid into an account on or after 1 July 2001.

**[4] Section 98R Return to be made out in respect of short term liabilities**

Insert after section 98R (4):

- (5) Nothing in this section requires a short term dealer in respect of any period commencing on or after 1 July 2001:
  - (a) to make out a return, or
  - (b) to lodge a return with the Chief Commissioner, or
  - (c) to pay to the Chief Commissioner an amount as stamp duty.

**[5] Section 98RA Return relating to contraventions**

Insert after section 98RA (2):

- (3) Nothing in this section requires a short term dealer in respect of a payment into an exempt bank account made on or after 1 July 2001:
  - (a) to lodge a return with the Chief Commissioner, or
  - (b) to pay an amount to the Chief Commissioner.

**[6] Section 98U Exempt accounts**

Insert “before 1 July 2001” after “payment” in section 98U (4).

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## **Schedule 11 Amendment of Totalizator Act 1997 No 45**

(Section 8)

**[1] Section 70 Betting tax—totalizator and approved betting activities**

Omit “28.2%” wherever occurring. Insert instead “19.11%”.

**[2] Section 75 Unclaimed dividends, refunds and roundings**

Omit “28.2%” from section 75 (4). Insert instead “19.11%”.

**[3] Schedule 2 Savings, transitional and other provisions**

Omit clause 1 (1). Insert instead:

- (1) The regulations may contain provisions of a savings or transitional nature consequent on the enactment of the following Acts:

    this Act

*Intergovernmental Agreement Implementation (GST) Act 2000*

**[4] Schedule 2, Part 3**

Insert after Part 2:

### **Part 3 Provision consequent on enactment of Intergovernmental Agreement Implementation (GST) Act 2000**

**17 Change in betting tax due to GST**

The amendments made to sections 70 and 75 by the *Intergovernmental Agreement Implementation (GST) Act 2000* apply to money that is paid into a totalizator in respect of an event or contingency occurring on or after 1 July 2000.

## **Schedule 12 Amendment of workers compensation and sporting injuries legislation**

(Section 8)

### **12.1 Workers Compensation Act 1987 No 70**

#### **[1] Section 3 Definitions**

Insert in appropriate order in section 3 (1):

*GST* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth.

#### **[2] Section 3 (1), Definition of “premium income”**

Omit “includes any amount prescribed by the regulations as included for the purposes of this paragraph in relation to that financial year, but does not include any amount prescribed by the regulations as excluded for the purposes of this paragraph in relation to that financial year”.

Insert instead “includes any amount comprising or attributable to GST and any amount prescribed by the regulations as included for the purposes of this definition in relation to that financial year, but does not include any amount prescribed by the regulations as excluded for the purposes of this definition in relation to that financial year”.

#### **[3] Section 155 Compulsory insurance for employers**

Insert after section 155 (1A):

- (1B) A policy of insurance (whether issued before, on or after the commencement of this subsection) does not, subject to the regulations, insure an employer’s liability for GST payable on the settlement of a claim and the employer’s uninsured liability for GST in these circumstances is not a liability to which subsection (1) applies.

A regulation made for the purposes of this subsection may apply to a policy of insurance whether issued before, on or after the commencement of this subsection, as the regulation may provide.

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In this subsection, *employer*, in relation to a worker, includes a principal within the meaning of section 20 who is liable to pay compensation to the worker.

**Note.** An employer may incur liability for GST on the settlement of a claim if the employer has failed to notify the insurer of the employer's entitlement to an input tax credit for a premium paid by the employer for the policy of insurance issued by the insurer.

**[4] Section 172 Recovery of unpaid premiums**

Omit "interest calculated at the rate of 1.2%" from section 172 (1).

Insert instead "a late payment fee calculated at the rate of 1.2% of the relevant amount or balance".

**[5] Section 172 (1) and (5)**

Omit "rate of interest" wherever occurring.

Insert instead "late payment fee rate".

**[6] Section 172 (2) and (3)**

Omit "interest" wherever occurring. Insert instead "a late payment fee".

**[7] Section 174 Records relating to wages, contracts etc to be kept and supplied by employers**

Insert at the end of paragraph (c) (vi) in the definition of *wages* in section 174 (9):

, or

(vii) any GST component in a payment to a worker.

**[8] Section 175 Employers evading payment of correct premiums**

Omit "Interest" from section 175 (2). Insert instead "A late payment fee".

**[9] Section 175 (3)**

Omit "interest". Insert instead "late payment fee".

**[10] Section 196 Assets of statutory funds**

Omit "interest" from section 196 (1) (b) (ii).

Insert instead "late payment fee".

**[11] Section 208 Contributions by licensed insurers to Premiums Adjustment Fund—“catch-up premiums”**

Omit “interest calculated at the rate of 15 per cent” from section 208 (4).  
Insert instead “a late payment fee calculated at the rate of 15 per cent of that amount”.

**[12] Section 220 Contributions by insurers**

Omit “interest calculated at the rate of 15 per cent” from section 220 (4) (b).  
Insert instead “a late payment fee calculated at the rate of 15 per cent of that amount”.

**[13] Section 228 Contributions to Guarantee Fund**

Omit “interest calculated at the rate of 15 per cent” from section 228 (4) (b).  
Insert instead “a late payment fee calculated at the rate of 15 per cent of the contribution”.

**[14] Part 7A**

Insert after Part 7:

**Part 7A GST—notification of input tax credits—interim provisions**

**239A Definitions**

In this Part:

*GST Acts* means the Acts of the Commonwealth that impose, or relate to the imposition of, goods and services tax.

*input tax credits* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth.

**239B Appointment of Authority as agent and attorney of employer to notify input tax credits**

- (1) The Authority is by this section appointed the agent and attorney of:

- (a) an employer under a policy of insurance issued, or purported to have been issued, by an insurer, and
  - (b) an employer who is required to obtain a policy of insurance issued by an insurer,
- but only for the purpose of exercising the rights and discharging the obligations of the employer as specified in subsection (2).
- (2) As agent and attorney of such an employer, the Authority may, but is not required to, exercise the rights and discharge the obligations of the employer:
    - (a) for the purpose of informing an insurer of any entitlement (and the extent of any entitlement) of the employer to an input tax credit for a premium paid by the employer for a policy of insurance issued by an insurer, and
    - (b) for any other purpose prescribed by the regulations relating to the GST Acts or any of those Acts.
  - (3) The Authority may exercise rights and discharge obligations as agent in the name of the employer concerned, or in its own name.
  - (4) The Authority may, as agent and attorney, inform an insurer in relation to:
    - (a) an individual employer, or all employers, or any group of employers, and
    - (b) the extent of the entitlement.
  - (5) The appointment effected by this section may be revoked only by an Act or a regulation.

**239C Manner of exercising rights and discharging obligations**

The Authority is not required:

- (a) to make any inquiry of an employer under or for the purposes of this Part, or
- (b) to notify an employer of anything done by the Authority under or for the purposes of this Part.

**239D Liability of Authority**

The Authority incurs no liability, and no proceedings may be brought against the Authority, for anything done, or purporting to be done, or omitted to be done, in its capacity under this Part as the agent or attorney of an employer.

**239E Exercise of rights by employer**

Nothing in this Part prevents an employer from informing an insurer that the employer is entitled to an input tax credit for a premium paid by the employer for a policy of insurance issued by the insurer.

**239F Expiry of Part**

This Part expires on 1 July 2003.

**[15] Schedule 6 Savings, transitional and other provisions**

Insert after clause 21 (2) of Part 15 (Provisions relating to insurance):

- (3) Without limiting subsection (1B) of section 155, such a policy of insurance that is in force immediately before the commencement of that subsection does not cover a liability that is not covered by that subsection.

**[16] Schedule 6**

Insert at the end of clause 1 (1) of Part 20 (Savings and transitional regulations):

*Intergovernmental Agreement Implementation (GST) Act 2000*

**[17] Schedule 6**

Insert after clause 1 of Part 20 (Savings and transitional regulations):

**2 Effect of GST**

- (1) Without limiting clause 1 of this Part, the regulations may contain provisions of a savings or transitional nature that may be necessary or convenient as a consequence of the enactment of the Acts of the Commonwealth that impose, or relate to the imposition of, goods and services tax.

- (2) A provision referred to in subclause (1) shall, if the regulations so provide, have effect despite any other provision of this Act.
- (3) A regulation made pursuant to this clause, unless sooner revoked or otherwise ceasing to have effect, ceases to have effect on 1 July 2003.
- (4) A regulation made pursuant to this clause may not be made or published after 1 July 2003.

## **12.2 Workers Compensation (General) Regulation 1995**

### **Schedule 1 Forms**

Insert at the end of clause 3 in Part 2 of Form 4:

The Insurer will not indemnify the Employer for the Employer's liability for GST payable on the settlement of a claim.

## **12.3 Workplace Injury Management and Workers Compensation Act 1998 No 86**

### **[1] Section 4 Definitions**

Insert in appropriate order in section 4 (1):

*GST* has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth.

### **[2] Section 4 (1), definition of "premium income"**

Insert "any amount comprising or attributable to GST and" after "includes".

### **[3] Section 39 Contributions to Fund by insurers and self-insurers**

Omit "interest calculated at the rate of 15 per cent" from section 39 (7) (b).  
Insert instead "a late payment fee calculated at the rate of 15 per cent of that amount".

**[4] Section 144 Compulsory insurance for employers**

Insert after section 144 (2):

(2A) A policy of insurance does not, subject to the regulations, insure an employer's liability for GST payable on the settlement of a claim and the employer's uninsured liability for GST in these circumstances is not a liability to which subsection (1) applies.

In this subsection, *employer*, in relation to a worker, includes a principal within the meaning of section 20 of the 1987 Act who is liable to pay compensation to the worker.

**Note.** An employer may incur liability for GST on the settlement of a claim if the employer has failed to notify the insurer of the employer's entitlement to an input tax credit for a premium paid by the employer for the policy of insurance issued by the insurer.

**[5] Section 157 Definitions**

Insert "(including GST)" after "payable" in the definition of *total premium* in section 157 (1).

**[6] Section 160 Fully funded total premiums**

Insert at the end of section 160 (e):

, and

(f) to provide for any GST liability arising on the premiums.

**[7] Section 167 Recovery of unpaid premiums**

Omit "interest calculated at the rate of 1.2%" from section 167 (1).

Insert instead "a late payment fee calculated at the rate of 1.2% of the relevant amount or balance".

**[8] Section 167 (1) and (5)**

Omit "rate of interest" wherever occurring.

Insert instead "late payment fee rate".

**[9] Section 167 (2) and (3)**

Omit "interest" wherever occurring. Insert instead "a late payment fee".

**[10] Section 170 Records relating to wages, contracts etc to be kept and supplied by employers**

Insert at the end of paragraph (c) (vi) in the definition of *wages* in section 170 (11):

, or  
(vii) any GST component in a payment to a worker.

**[11] Section 171 Employers evading payment of correct premiums**

Omit “Interest” from section 171 (2). Insert instead “A late payment fee”.

**[12] Section 171 (3)**

Omit “interest”. Insert instead “late payment fee”.

**[13] Section 174 Deficit reduction contribution**

Omit “interest calculated at the rate of 15%” from section 174 (6).  
Insert instead “a late payment fee calculated at the rate of 15% of that amount”.

**[14] Section 206 Contributions to Guarantee Fund**

Omit “interest calculated at the rate of 15%” from section 206 (6).  
Insert instead “a late payment fee calculated at the rate of 15% of that amount”.

**12.4 Workers’ Compensation (Dust Diseases) Act 1942 No 14**

**Schedule 2 Savings, transitional and other provisions**

Insert after clause 1:

**1A Effect of GST**

- (1) Without limiting clause 1, the regulations may contain provisions of a savings or transitional nature that may be necessary or convenient as a consequence of the enactment of the Acts of the Commonwealth that impose, or relate to the imposition of, goods and services tax.

- (2) If the regulations so provide, a provision referred to in subclause (1) has effect despite any other provision of this Act.
- (3) A regulation made pursuant to this clause, unless sooner revoked or otherwise ceasing to have effect, ceases to have effect on 1 July 2003.
- (4) A regulation made pursuant to this clause may not be made or published after 1 July 2003.

## **12.5 Sporting Injuries Insurance Act 1978 No 141**

### **Schedule 5 Savings and transitional provisions**

Insert after clause 1:

#### **1A Effect of GST**

- (1) Without limiting clause 1, the regulations may contain provisions of a savings or transitional nature that may be necessary or convenient as a consequence of the enactment of the Acts of the Commonwealth that impose, or relate to the imposition of, goods and services tax.
- (2) If the regulations so provide, a provision referred to in subclause (1) has effect despite any other provision of this Act.
- (3) A regulation made pursuant to this clause, unless sooner revoked or otherwise ceasing to have effect, ceases to have effect on 1 July 2003.
- (4) A regulation made pursuant to this clause may not be made or published after 1 July 2003.

[Minister's second reading speech made in—  
Legislative Assembly on 7 June 2000  
Legislative Council on 20 June 2000]

BY AUTHORITY