



New South Wales

State Revenue and Other Legislation Amendment (Budget) Bill 2008

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.
This Bill is cognate with the *Appropriation Bill 2008*.

Overview of Bill

The objects of this Bill are as follows:

- (a) to amend the *Duties Act 1997*:
 - (i) to bring forward the date for abolition of duty on transfers of business assets, statutory licences and permissions and poker machine entitlements, to 1 January 2011, and
 - (ii) to provide a duty exemption for certain restructure arrangements known as “top hatting” arrangements, and
 - (iii) to ensure that duty on transfers of shares in commercial fisheries is abolished on 1 January 2009 (when duty on transfers of marketable securities is abolished),
- (b) to amend the *Payroll Tax Act 2007* so that:
 - (i) the current payroll tax rate of 6% will be reduced to 5.5% over 3 years, and

- (ii) the tax-free threshold will be indexed annually (starting on 1 July 2008) so that it will increase in line with increases in the Consumer Price Index for Sydney, and
 - (iii) special arrangements will apply in the 3 financial years over which the reduction in tax rate will be phased in (including arrangements for the allocation of any unused portion of tax-free threshold for a half-year to the other half of the year),
- (c) to amend the *Public Finance and Audit Act 1983* as a consequence of the introduction of a new Australian Accounting Standard, and for other purposes,
- (d) to amend the *Public Sector Employment and Management Act 2002* to ensure that the prohibition on an executive officer undertaking paid work outside the duties of his or her position without the approval of the officer's employer extends to paid work of any kind (whether or not employment to which that Act applies).

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Clause 3 is a formal provision that gives effect to the amendments to the *Duties Act 1997*, the *Payroll Tax Act 2007*, the *Public Finance and Audit Act 1983* and the *Public Sector Employment and Management Act 2002* set out in Schedules 1–4.

Clause 4 provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced. Once the amendments have commenced the proposed Act will be spent and section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

Schedule 1 Amendment of Duties Act 1997

Abolition of duty on transfers of business assets, statutory licences and permissions and poker machine entitlements

Duty on the transfer of business assets, and on the transfer of statutory licences and permissions, and poker machine entitlements, is due to be abolished on 1 July 2012.

Schedule 1 [6] brings forward that abolition date to 1 January 2011.

Schedule 1 [1] and [2] are consequential amendments.

Exemption for “top hatting” arrangements

A “top hatting” arrangement is a scheme for interposing a unit trust scheme (whether a new or existing unit trust scheme) between persons who have an ownership interest in 2 or more unit trust schemes, or in one or more companies and one or more unit trust schemes, and the unit trust schemes or companies in which they have an

ownership interest. The interests of the unit holders or shareholders are stapled together to form stapled securities and the interposed unit trust becomes the owner of all the stapled interests.

Schedule 1 [7] grants an exemption from duty on a transfer of marketable securities (or an agreement for transfer or vesting of marketable securities) in connection with such an arrangement if the Chief Commissioner is satisfied that the scheme concerned would qualify as a roll-over under Subdivision 124-Q of the *Income Tax Assessment Act 1997* of the Commonwealth. (That Act provides for capital gains tax relief in respect of such schemes.)

Schedule 1 [8] grants an exemption from land rich duty on an acquisition that is made for the purpose of such an arrangement. The Chief Commissioner must be satisfied that:

- (a) the acquisition is made for the purpose of giving effect to a scheme that would qualify as a roll-over under Subdivision 124-Q of the *Income Tax Assessment Act 1997* of the Commonwealth, and
- (b) when the scheme is completed, the interposed trust will be a listed trust, widely held trust or a land rich landholder, and
- (c) the acquisition is not part of a scheme a purpose of which is to minimise duty otherwise payable under the *Duties Act 1997*.

The exemption will cease to apply (and will be taken never to have applied) if the interposed trust ceases to be a listed trust, widely held trust or a land rich landholder within 12 months after the scheme is completed.

Shares in commercial fisheries

At present, a transfer of shares in a commercial fishery (that is, a share management fishery under the *Fisheries Management Act 1994*) is dutiable on the basis that it is a transfer of a statutory licence or permission (as shares in a fishery entitle the holder to take fish in the fishery). However, a transfer of such shares is charged at the same rate as a transfer of marketable securities.

Schedule 1 [3] ensures that shares in commercial fisheries are treated as equivalent to marketable securities for duties purposes and that duty on a transfer of shares in a commercial fishery will be abolished on 1 January 2009 (the date on which marketable securities duty will be abolished).

Schedule 1 [4], [5] and [9] are related amendments.

Savings and transitional provisions

Schedule 1 [10] enables savings and transitional regulations to be made as a consequence of the proposed Act.

Schedule 1 [11] provides for the application of the “top hatting” exemption in respect of transactions occurring on or after 1 July 2008 (except transfers made as a consequence of agreements entered into before that date).

Schedule 2 Amendment of Payroll Tax Act 2007

Reduction of tax rate

Schedule 2 [2] reduces the rate at which payroll tax is charged from 6% to 5.5% over 3 years.

The new tax rates will be as follows:

- (a) 5.75% from 1 January 2009,
- (b) 5.65% from 1 January 2010,
- (c) 5.5% from 1 January 2011.

Indexation of the tax-free threshold

Schedule 2 [3] and [4] provide for the tax-free threshold for payroll tax to be increased at the start of each financial year in line with increases in the Consumer Price Index for Sydney. The first increase is to occur on 1 July 2008 and will increase the threshold from \$600,000 to \$623,000. The method of calculation of the CPI increase gives a result that is the same as the annual percentage change in the CPI published by the Australian Bureau of Statistics. **Schedule 2 [1]** makes a consequential amendment.

Transitional arrangements for phasing in of new tax rates

Schedule 2 [5] and [6] provide the following special arrangements for the calculation of payroll tax during the 3 financial years over which the reductions in the payroll tax rate will be phased in:

- (a) For the calculation of tax payable on a monthly return basis, the tax-free threshold will be apportioned according to the number of days in the month to which the return relates.
- (b) For the purposes of the end of financial year reconciliation of payroll tax, separate calculations of tax will be performed for the 2 half-years of the financial year and the 2 amounts then aggregated (to allow for the fact that the change in tax rate will occur half way through the 2008, 2009 and 2010 financial years).
- (c) If the wages paid in a half-year are less than the tax-free threshold apportioned to that half-year, any unused portion of the threshold will be applied in the other half-year to reduce the amount of taxable wages in that other half-year.

Schedule 2 [7] enables savings and transitional regulations to be made as a consequence of the proposed Act.

Schedule 3 Amendment of Public Finance and Audit Act 1983

Introduction of new accounting standard

In October 2007, the Australian Accounting Standards Board issued a new accounting standard for public sector financial reporting (AASB 1049: *Whole of Government and General Government Sector Financial Reporting*), which applies from 1 July 2008. The amendments to the *Public Finance and Audit Act 1983* are proposed largely as a consequence of that new accounting standard.

Year-end and other financial reports by Treasurer

At present, the Treasurer is required to prepare a consolidated financial report for the total state sector at the end of each financial year (referred to as the *total state sector accounts*).

Consistent with the new accounting standard, it is now proposed that the Treasurer will be required to prepare the following reports (in accordance with that standard):

- (a) a whole of government financial report (this is the equivalent of the total state sector accounts), and
- (b) financial statements for the general government sector.

The whole of government financial report relates to all entities controlled by the New South Wales Government. For consistency with other States, this report will now be referred as the *consolidated financial statements*, rather than the total state sector accounts.

The general government sector financial statements relate to a subset of the entities to which the consolidated financial statements relate (mostly Government Departments and public authorities).

The Treasurer will be permitted to present the consolidated financial statements and the general government sector financial statements in the form of a single report.

Schedule 3 [3] gives effect to the amendments described above.

The Auditor-General will be required to audit the general government sector financial statements (in addition to the consolidated financial statements). Similarly, the Public Accounts Committee of Parliament is given power to examine the general government sector financial statements (in addition to the consolidated financial statements). See **Schedule 3 [15], [18] and [23]**.

In addition, monthly statements and half-yearly reviews in relation to Budget aggregates and estimates prepared by the Treasurer under the Act will no longer be required by the Act to be prepared on a Government Finance Statistics or GFS basis, as the new accounting standard harmonises (or incorporates) those GFS principles. See **Schedule 3 [4] and [6]**.

Schedule 3 [1], [2], [5], [7], [9], [10], [16], [17], [19]–[22] and [24] are consequential amendments.

Budget Papers

At present, the Budget Papers are required to include primary financial statements prepared in accordance with Australian Accounting Standards and primary financial statements prepared in accordance with GFS principles. This requirement is replaced with a requirement that the Budget Papers include the following statements, prepared in accordance with Australian Accounting Standards (which will incorporate GFS principles):

- (a) a statement of financial position for the general government sector,
- (b) an operating statement for the general government sector,
- (c) a cash flow statement for the general government sector.

These statements have been generally understood to be the equivalent of primary financial statements. See **Schedule 3 [14]**.

The Treasurer will continue to be required to report to Parliament on any departure from Australian Accounting Standards in the preparation of the primary financial statements. However, provisions relating to the Treasurer's Accounting Advisory Panel are removed. (At present, the Act provides that the Treasurer may consult with the Panel before departing from an accounting standard.) Also, it will not be necessary for the primary financial statements to be presented with notes (such as notes explaining significant accounting policies). This is not required at present.

Schedule 3 [11], [14] and [15] give effect to the amendments described above.

The reference to "GFS", in the context of Budget aggregates, is removed (again, because the new accounting standard incorporates GFS principles). See **Schedule 3 [12]**.

Other amendments

The Budget Papers will be required to include information about the results and services of, and total expenses of, service groups (rather than a statement of outcomes, outputs and total expenses for Budget programs). See **Schedule 3 [13]**.

The Treasurer will be given power to issue directions to accounting officers and authorities relating to budgeting generally (at present this power is limited to program budgeting). See **Schedule 3 [8]**.

The general government sector will be defined in the Act (rather than by cross-reference to the *Fiscal Responsibility Act 2005*). However, the proposed definition is exactly the same as the current definition in the *Fiscal Responsibility Act 2005*. See **Schedule 3 [1]**.

Schedule 3 [25] enables savings and transitional regulations to be made as a consequence of the proposed Act.

Schedule 3 [26] provides for the application of the amendments from the 2008–2009 financial year.

Schedule 4 Amendment of Public Sector Employment and Management Act 2002

Section 83 of the *Public Sector Employment and Management Act 2002* prohibits an executive officer from undertaking paid work outside the duties of his or her executive position without the consent of the officer's employer. The amendment in **Schedule 4** makes it clear that this prohibition extends to any paid work (whether or not employment in the New South Wales Government Service).



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State Revenue and Other Legislation Amendment (Budget) Bill 2008

No. , 2008

A Bill for

An Act to make miscellaneous amendments to State revenue and other legislation in connection with the Budget for the year 2008–2009.

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i> .	3 4
2 Commencement	5
(1) This Act commences on the date of assent to this Act, except as provided by subsection (2).	6 7
(2) The following provisions commence, or are taken to have commenced, on the dates indicated:	8 9
(a) Schedule 1 [7] and [8] and Schedule 2—1 July 2008,	10
(b) Schedule 3—3 June 2008.	11
3 Amendment of Acts	12
The Acts specified in Schedules 1–4 are amended as set out in those Schedules.	13 14
4 Repeal of Act	15
(1) This Act is repealed on the day following the day on which all of the provisions of this Act have commenced.	16 17
(2) The repeal of this Act does not, because of the operation of section 30 of the <i>Interpretation Act 1987</i> , affect any amendment made by this Act.	18 19

Schedule 1	Amendment of Duties Act 1997 No 123	1
	(Section 3)	2
[1]	Section 11 What is “dutiabale property”?	3
	Omit “1 July 2012” from the note at the end of the section.	4
	Insert instead “1 January 2011”.	5
[2]	Sections 26, 26A and 28	6
	Omit “1 July 2012” wherever occurring. Insert instead “1 January 2011”.	7
[3]	Section 34 Abolition of duty on all transfers of marketable securities and commercial fishery shares—effective 1 January 2009	8
	Insert “and commercial fishery shares” after “marketable securities” in section 34 (1).	9
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		11
[4]	Section 34 (2)	12
	Insert “or commercial fishery shares” after “marketable securities”.	13
[5]	Section 34 (3)	14
	Insert after section 34 (2):	15
	(3) In this section:	16
	<i>commercial fishery share</i> means a share in a share management fishery (within the meaning of the <i>Fisheries Management Act 1994</i>).	17
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[6]	Sections 35, 36 and 37 and notes to section 65 (6) and (7)	20
	Omit “1 July 2012” wherever occurring. Insert instead “1 January 2011”.	21
[7]	Section 66 Exemptions—marketable securities	22
	Insert after section 66 (10):	23
	(11) “Top hatting” arrangements	24
	No duty is chargeable under this Chapter on a transfer, or an agreement for the sale or transfer, of marketable securities, or a vesting of marketable securities by or as a consequence of an order of a court, if the Chief Commissioner is satisfied that the transfer or vesting is made to give effect to a scheme that would qualify as a roll-over under Subdivision 124-Q of the <i>Income Tax Assessment Act 1997</i> of the Commonwealth.	25
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[8] Section 163ZEA	1
Insert after section 163ZE:	2
163ZEA Exemption for “top hatting” arrangements	3
(1) An acquisition by a person of an interest in a landholder is an exempt transaction if the Chief Commissioner is satisfied that:	4
(a) the acquisition is made for the purpose of giving effect to a scheme that would qualify as a roll-over under Subdivision 124-Q of the <i>Income Tax Assessment Act 1997</i> of the Commonwealth, and	5
(b) when the scheme is completed, the interposed trust will be a listed trust, widely held trust or a land rich landholder, and	6
(c) the acquisition is not part of a scheme a purpose of which is to minimise duty otherwise payable under this Act.	7
Note. A roll-over involves a scheme for interposing a unit trust scheme (whether a new or existing unit trust scheme) between persons who have an ownership interest in 2 or more unit trust schemes, or in one or more companies and one or more unit trust schemes, and the unit trust schemes or companies in which they have an ownership interest. The interests of the unit holders or shareholders are stapled together to form stapled securities and the interposed unit trust becomes the owner of all the stapled interests.	8
(2) An acquisition by a person for the purposes of a scheme referred to in Subdivision 124-Q of the <i>Income Tax Assessment Act 1997</i> of the Commonwealth ceases to be an exempt transaction if:	9
(a) the interposed trust is not a listed trust, widely held trust or land rich landholder when the scheme is completed, or	10
(b) the interposed trust ceases to be a listed trust, widely held trust or a land rich landholder at any time within 12 months after the scheme is completed.	11
(3) If an acquisition ceases to be an exempt transaction:	12
(a) duty is chargeable under this Chapter in respect of the acquisition as if the acquisition had never been an exempt acquisition, and	13
(b) the person who made the acquisition must lodge an acquisition statement (within the meaning of section 163H) or a revised acquisition statement with the Chief Commissioner to reflect the fact that the acquisition has ceased to be an exempt transaction, and	14

(c)	a tax default does not occur for the purposes of the <i>Taxation Administration Act 1996</i> if the duty (if any) chargeable under this Chapter as a result of the acquisition ceasing to be an exempt transaction is paid within 3 months after the acquisition ceases to be an exempt transaction.	1 2 3 4 5 6
(4)	In this section: <i>interposed trust</i> , in relation to a scheme, has the same meaning as it has in section 124–1045 of the <i>Income Tax Assessment Act 1997</i> of the Commonwealth.	7 8 9 10
[9]	Section 274 Transfer of certain business property between family members	11 12
	Omit “statutory licences and permissions is abolished on 1 July 2012” from the note to section 274 (2).	13 14
	Insert instead “shares in a share management fishery is abolished on 1 January 2009”.	15 16
[10]	Schedule 1 Savings, transitional and other provisions	17
	Insert at the end of clause 1 (1): <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i>	18 19 20
[11]	Schedule 1	21
	Insert at the end of Schedule 1 (with appropriate Part and clause numbering):	22
	Part Provisions consequent on enactment of State Revenue and Other Legislation Amendment (Budget) Act 2008	23 24 25
	Application of “top hatting” exemptions	26
(1)	The amendment made to section 66 by the <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i> applies in respect of the following:	27 28 29
(a)	an agreement for the sale or transfer of marketable securities first executed on or after 1 July 2008,	30 31
(b)	a transfer of marketable securities that occurs on or after 1 July 2008 (except where made in conformity with an agreement for sale or transfer entered into before 1 July 2008),	32 33 34 35

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Schedule 1 Amendment of Duties Act 1997 No 123

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| (c) | the vesting of marketable securities by or as a consequence of an order of a court, if the order is made on or after 1 July 2008. | 1
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| (2) | Section 163ZEA, as inserted by the <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i> , applies in respect of an acquisition made on or after 1 July 2008. | 4
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[3] Schedule 1, clause 1	1
Omit the definition of <i>TA</i> or <i>threshold amount</i> . Insert instead:	2
<i>TA</i> or <i>threshold amount</i> is:	3
(a) \$600,000 for a financial year before the financial year commencing on 1 July 2008, or	4
(b) for the financial year commencing on 1 July 2008 and subsequent financial years—the threshold amount for that financial year determined in accordance with clause 1A.	5
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[4] Schedule 1, clause 1A	9
Insert after clause 1:	10
1A Indexation of threshold amount commencing in 2008	11
(1) This clause applies to the determination of the threshold amount for the financial year commencing on 1 July 2008 and subsequent financial years.	12
(2) The threshold amount for a financial year is to be determined by multiplying \$600,000 by A/B , where:	13
<i>A</i> is the Sydney CPI number for March in the financial year before the financial year for which the threshold amount is to be determined, and	14
<i>B</i> is the Sydney CPI number for March 2006, and	15
<i>A/B</i> is calculated to 3 decimal places.	16
(3) If the threshold amount for a financial year determined in accordance with subclause (2) would be an amount that is less than the threshold amount for the previous financial year, the threshold amount for the financial year is to be determined to be the same as the threshold amount for that previous financial year.	17
(4) If the threshold amount determined under this clause for a financial year is not a multiple of \$1,000, the amount is to be rounded to the nearest \$1,000 (with an amount of \$500 to be rounded down).	18
(5) The Chief Commissioner is to publish a notice in the Gazette before the start of each financial year (starting with the financial year commencing on 1 July 2009) specifying the threshold amount determined under this clause for the financial year.	19
Note. The threshold amount for the 2008 financial year determined under this clause is \$623,000.	20
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(6)	In this clause:	1
	<i>Sydney CPI number</i> means the Consumer Price Index (All Groups Index) for Sydney issued by the Australian Statistician.	2 3
[5]	Schedule 2 NSW specific provisions	4
	Insert after clause 3:	5
	3A Special provision for financial years 2008–2010	6
	For payroll tax payable in relation to a financial year commencing on 1 July 2008, 2009 or 2010:	7 8
	(a) the amount of payroll tax that an employer is required to pay is to be ascertained in accordance with Schedule 2A rather than Schedule 1, and	9 10 11
	(b) clauses 2 and 3 do not apply to the calculation of that payroll tax, and	12 13
	(c) a reference in section 82 (Determination of correct amount of payroll tax) to Schedule 1 is to be read as a reference to Schedule 2A.	14 15 16
[6]	Schedule 2A	17
	Insert after Schedule 2:	18
	Schedule 2A Special provisions for financial years 2008–2010	19 20
	(Schedule 2, clause 3A)	21
	Part 1 Introduction	22
	1 Application of Schedule	23
	This Schedule applies for the purpose of ascertaining the payroll tax payable by an employer in relation to a financial year commencing on 1 July 2008, 2009 or 2010.	24 25 26
	2 Determination of amount of payroll tax	27
	(1) The amount that an employer is liable to pay as payroll tax for any period is to be determined in accordance with this Schedule.	28 29
	(2) The amount of payroll tax that an employer is required to pay in relation to a return of wages in respect of a period is the amount determined for that period in accordance with this Schedule.	30 31 32

3	Determination of payroll tax for full financial year	1
	The amount that an employer is liable to pay as payroll tax for a financial year is to be determined as the sum of the amount that the employer is liable to pay as payroll tax for the first half of the financial year and the amount that the employer is liable to pay as payroll tax for the second half of the financial year, with those amounts determined in accordance with this Schedule.	2 3 4 5 6 7
	Note. This method of adding the payroll tax payable for 2 half-years accommodates the change of tax rates that occurs on 1 January of 2009, 2010 and 2011 (which is half way through each of the relevant financial years).	8 9 10 11
4	Definitions	12
	In this Schedule:	13
	annual threshold amount means the threshold amount under Schedule 1 for the financial year of which the relevant period forms part.	14 15 16
	financial year means a financial year commencing on 1 July 2008, 2009 or 2010.	17 18
	half-year means the first or second half of a financial year (with the first half comprising the months July to December and the second half comprising the months January to June).	19 20 21
	N is the number of days in the relevant period.	22
	R has the same value as in Schedule 1 in respect of the relevant period.	23 24
	relevant period means the period to which the calculation of the relevant payroll tax relates.	25 26
	TA or threshold amount for a relevant period is the amount calculated by multiplying the annual threshold amount by $N/365$.	27 28
	Note. Clauses 9 and 14 provide that when wages for half a financial year are less than the threshold amount for that half-year, the unused portion of that threshold amount is to be allocated to the other half of the financial year.	29 30 31 32
Part 2	Employers who are not members of a group	33 34
5	Application of Part	35
	This Part applies only to an employer who is not a member of a group.	36 37

6	Definitions	1
	In this Part:	2
	<i>C</i> is the number of days in the relevant period in respect of which the employer paid or was liable to pay taxable wages or interstate wages (otherwise than as a member of a group).	3
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	<i>IW</i> represents the total interstate wages paid or payable by the employer concerned (otherwise than as a member of a group) during the relevant period.	6
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	<i>TW</i> represents the total taxable wages paid or payable by the employer concerned (otherwise than as a member of a group) during the relevant period.	9
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7	Payroll of employer not more than threshold	12
	An employer is not liable to pay payroll tax for a relevant period if the total taxable wages and interstate wages paid or payable by the employer (otherwise than as a member of a group) during that period is not more than the <i>employer's threshold amount</i> for that period, being the amount calculated in accordance with the following formula:	13
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	$TA \times \frac{C}{N}$	
8	Payroll of employer over threshold	19
	If the total taxable wages and interstate wages paid or payable by an employer (otherwise than as a member of a group) during the relevant period is more than the employer's threshold amount for that period, the employer is liable to pay as payroll tax for that period the amount of dollars calculated in accordance with the following formula:	20
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	$\left[TW - \left[\frac{TW}{TW + IW} \times TA \times \frac{C}{N} \right] \right] \times R$	
9	Increase in half-year threshold for threshold credit from other half-year	26
		27
	(1) If the total taxable wages and interstate wages paid or payable by an employer during a half-year otherwise than as a member of a group (<i>the half-year total</i>) is less than the threshold amount for that half-year (<i>the half-year TA</i>), the difference between the half-year total and the half-year TA is to be added to the threshold amount for the other half-year of the financial year concerned to arrive at an <i>adjusted TA</i> for that other half-year.	28
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- (2) When there is an adjusted TA for the second half of a financial year, the threshold amount for any relevant period in that second half is the amount determined by multiplying the adjusted TA by $N/181$.
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- (3) When there is an adjusted TA for the first half of a financial year, that adjusted TA is the threshold amount that is to be used to determine the amount that the employer is liable to pay as payroll tax for that first half (as part of the determination of the amount of payroll tax payable for the full financial year) but is not to be used to redetermine the amount of payroll tax for any relevant period that is part of that first half.
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Part 3 Groups with a designated group employer 11

10 Application of Part 12

This Part applies only to an employer who is a member of a group for which there is a designated group employer. 13
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11 Definitions 15

In this Part: 16

C is the number of days in the relevant period in respect of which at least one member of the group paid or was liable to pay (as a member of the group) taxable wages or interstate wages. 17
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GIW represents the total interstate wages paid or payable by the group concerned during the relevant period. 20
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GTW represents the total taxable wages paid or payable by the group concerned during the relevant period. 22
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TW represents the total taxable wages paid or payable by the employer concerned (as a member of the group) during the relevant period. 24
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12 Payroll of group not more than threshold 27

None of the members of a group is liable to pay payroll tax for the relevant period if the total taxable wages and interstate wages paid or payable by the group during that period is not more than the **group threshold amount** for that period, being the amount calculated in accordance with the following formula: 28
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$$TA \times \frac{C}{N}$$

-
- 13 Payroll of group over threshold** 1
- (1) If the total taxable wages and interstate wages paid or payable by a group during the relevant period is more than the group threshold amount for that period, payroll tax is payable as provided by subclauses (2) and (3). 2
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- (2) The designated group employer for the group is liable to pay as payroll tax for the relevant period the amount of dollars calculated in accordance with the following formula: 6
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- $$\left[TW - \left[\frac{GTW}{GTW + GIW} \times TA \times \frac{C}{N} \right] \right] \times R$$
- (3) Each member of the group (other than that designated group employer) is liable to pay as payroll tax for the relevant period the amount of dollars calculated in accordance with the following formula: 9
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- $$TW \times R$$
- 14 Increase in second-half TA for first-half credit** 13
- (1) If the total taxable wages and interstate wages paid or payable by a group during a half-year (*the half-year total*) is less than the threshold amount for that half-year (*the half-year TA*), the difference between the half-year total and the half-year TA is to be added to the threshold amount for the other half-year of the financial year concerned to arrive at an *adjusted TA* for that other half-year. 14
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- (2) When there is an adjusted TA for the second half of a financial year, the threshold amount for any relevant period in that second half is the amount determined by multiplying the adjusted TA by $N/181$. 21
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23
- (3) When there is an adjusted TA for the first half of a financial year, that adjusted TA is the threshold amount that is to be used to determine the amount that the employer is liable to pay as payroll tax for that first half (as part of the determination of the amount of payroll tax payable for the full financial year) but is not to be used to redetermine the amount of payroll tax for any relevant period that is part of that first half. 24
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Part 4	Groups with no designated group employer	1
		2
15	Application of Part	3
	This Part applies only to an employer who is a member of a group for which there is no designated group employer.	4 5
16	Definitions	6
	In this Part:	7
	<i>TW</i> represents the total taxable wages paid or payable by the employer concerned (as a member of the group) during the relevant period.	8 9 10
17	Calculation of payroll tax	11
	Each member of the group is liable to pay as payroll tax for the relevant period the amount of dollars calculated in accordance with the following formula:	12 13 14
	$TW \times R$	
[7]	Schedule 3 Savings, transitional and other provisions	15
	Insert at the end of clause 1 (1):	16
	<i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i>	17 18

Schedule 3	Amendment of Public Finance and Audit Act 1983 No 152	1
		2
	(Section 3)	3
[1] Section 4 Definitions		4
	Omit the definitions of <i>financial report</i> , <i>general government sector</i> and <i>the Total State Sector Accounts</i> from section 4 (1).	5
		6
	Insert the following in alphabetical order:	7
	<i>consolidated financial statements</i> means the consolidated financial statements for the State prepared by the Treasurer under section 6 (1).	8
		9
		10
	<i>general government sector</i> means New South Wales agencies or activities listed or described as part of the general government sector by the Australian Bureau of Statistics (which are listed or described in accordance with international statistics conventions).	11
		12
		13
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		15
	<i>general government sector financial statements</i> means the financial statements for the general government sector prepared by the Treasurer under section 6 (1).	16
		17
		18
[2] Section 4 (1)		19
	Omit paragraph (a) of the definition of <i>financial year</i> . Insert instead:	20
	(a) the consolidated financial statements or the general government sector financial statements, means the period from 1 July to the next following 30 June,	21
		22
		23
[3] Section 6		24
	Omit the section. Insert instead:	25
	6 Preparation of consolidated financial statements and general government sector financial statements	26
		27
	(1) As soon as practicable after the end of each financial year, the Treasurer is to prepare:	28
		29
	(a) consolidated financial statements for the State as at 30 June in that financial year, being a whole of government financial report for the State prepared in accordance with Australian Accounting Standards, and	30
		31
		32
		33
	(b) financial statements for the general government sector as at 30 June in that financial year, being a financial report for the general government sector prepared in accordance with Australian Accounting Standards.	34
		35
		36
		37

(2)	The consolidated financial statements and general government sector financial statements may be presented in a single report, in such form or manner as the Treasurer may determine.	1 2 3
(3)	The Treasurer may combine, include or amalgamate with, or present together with, in such form or manner as the Treasurer may determine, or attach to, the statements required to be prepared under this section such other reports as the Treasurer may determine.	4 5 6 7 8
(4)	On or before 15 September, the Treasurer is to transmit the statements prepared under this section in relation to the preceding financial year to the Auditor-General.	9 10 11
[4]	Section 8 Monthly statements and half-yearly reviews	12
	Omit “GFS” in section 8 (1). Insert instead “general government sector”.	13
[5]	Section 8 (2)	14
	Omit “and the Total State Sector Accounts”.	15
	Insert instead “, the consolidated financial statements and the general government sector financial statements”.	16 17
[6]	Section 8 (3) (a) and (b)	18
	Omit “GFS” wherever occurring.	19
[7]	Section 9 Treasurer’s directions	20
	Omit section 9 (2) (g). Insert instead:	21
	(g) the preparation of the consolidated financial statements, general government sector financial statements and other financial reports,	22 23 24
[8]	Section 9 (2) (k)	25
	Omit “program”.	26
[9]	Section 23A Transfers in relation to commitments	27
	Omit “Total State Sector Accounts” from section 23A (4).	28
	Insert instead “consolidated financial statements”.	29
[10]	Section 24 Transfer of functions between Departments etc	30
	Omit “Total State Sector Accounts” from section 24 (5).	31
	Insert instead “consolidated financial statements”.	32

[11] Section 27A	1
Omit the section. Insert instead:	2
27A Preparation and presentation of Budget Papers	3
(1) The Budget Papers are to be presented on a basis that covers the general government sector.	4 5
(2) The primary financial statements in the Budget Papers are to be prepared in accordance with Australian Accounting Standards and presented in a format that accords with Australian Accounting Standards.	6 7 8 9
(3) The Treasurer may determine that the standards referred to in subsection (2) should be departed from if the Treasurer is of the opinion that the departure is necessary in a particular case to present an accurate view of the financial position detailed in the Budget Papers.	10 11 12 13 14
(4) The Treasurer is to prepare a report on any such departure containing details of, and reasons for, the departure and the report is to be tabled in each House of Parliament with the Budget Papers.	15 16 17 18
(5) It is not necessary for the Budget Papers to be presented so as to include notes within the meaning of Australian Accounting Standards.	19 20 21
(6) In this section: <i>primary financial statements</i> in the Budget Papers means the financial statements referred to in section 27AA (2) (e).	22 23 24
[12] Section 27AA Content of Budget Papers	25
Omit “GFS” from section 27AA (1) and (2) (b), wherever occurring.	26
[13] Section 27AA (2) (c)	27
Omit the paragraph. Insert instead:	28
(c) information about the results and services and total expenses of each service group,	29 30
[14] Section 27AA (2) (e)	31
Omit section 27AA (2) (e) and (f). Insert instead:	32
(e) the following financial statements:	33
(i) a statement of financial position for the general government sector,	34 35

	(ii) an operating statement for the general government sector,	1 2
	(iii) a cash flow statement for the general government sector.	3 4
[15]	Section 27B The Auditor-General	5
	Omit “Total State Sector Accounts” from section 27B (3) (a).	6
	Insert instead “consolidated financial statements, the general government sector financial statements”.	7 8
[16]	Section 39 Application and interpretation	9
	Insert after section 39 (2A):	10
	(2B) A reference in this Division to a financial report, in relation to a statutory body, is a reference to the financial report referred to in section 41A.	11 12 13
[17]	Section 45A Application and interpretation	14
	Insert after section 45A (3):	15
	(3A) A reference in this Division to a financial report, in relation to a Department, is a reference to the financial report referred to in section 45D.	16 17 18
[18]	Section 49	19
	Omit the section. Insert instead:	20
	49 Examination of consolidated financial statements and general government sector financial statements	21 22
	(1) The Auditor-General:	23
	(a) is to examine the consolidated financial statements and general government sector financial statements transmitted to the Auditor-General by the Treasurer in accordance with section 6 (4), and	24 25 26 27
	(b) is to prepare and sign an opinion, in relation to each of those statements, as to whether the statements are properly drawn up in accordance with this Act.	28 29 30
	(2) If the consolidated financial statements and general government sector financial statements are presented in a single report, the Auditor-General may prepare and sign a single opinion in relation to that report.	31 32 33 34

(3)	On or before 22 October after receiving the consolidated financial statements and general government sector financial statements from the Treasurer, the Auditor-General is to transmit the statements and the opinion or opinions prepared under this section to the Treasurer.	1 2 3 4 5
(4)	Nothing in this section prevents the alteration of the consolidated financial statements or general government sector financial statements, with the approval of the Auditor-General, after being received by the Auditor-General and before being transmitted to the Treasurer.	6 7 8 9 10
[19] Section 51		11
	Omit the section. Insert instead:	12
51 Presentation of financial statements and opinions to Legislative Assembly		13 14
(1)	The Treasurer, not later than 31 October in the year following that to which the consolidated financial statements and general government sector financial statements relate, is to present those statements as audited by the Auditor-General, and the opinion or opinions of the Auditor-General as to those statements, to the Legislative Assembly.	15 16 17 18 19 20
(2)	If, at the time at which the Treasurer seeks to present the audited statements and Auditor-General's opinion to the Legislative Assembly, the Legislative Assembly is not sitting, the Treasurer is to present the audited statements and opinion to the Clerk of the Legislative Assembly to be dealt with in accordance with section 63C.	21 22 23 24 25 26
[20] Section 52 Auditor-General's reports		27
	Omit "Total State Sector Accounts" from section 52 (1) where firstly occurring.	28 29
	Insert instead "consolidated financial statements and general government sector financial statements".	30 31
[21] Section 52 (1)		32
	Omit "Total State Sector Accounts" where secondly occurring.	33
	Insert instead "statements".	34

[22]	Section 52 (3)	1
	Omit “Total State Sector Accounts”.	2
	Insert instead “consolidated financial statements, the general government sector financial statements”.	3 4
[23]	Section 57 Functions of Committee	5
	Omit “Total State Sector Accounts” from section 57 (1) (a) and (c), wherever occurring.	6 7
	Insert instead “consolidated financial statements and general government sector financial statements”.	8 9
[24]	Section 63F	10
	Omit the section. Insert instead:	11
	63F Status of Workers Compensation Insurance Fund	12
	The Workers Compensation Insurance Fund established under the <i>Workers Compensation Act 1987</i> (including the assets and liabilities of that Fund):	13 14 15
	(a) is not an entity under the control of the New South Wales Government for the purposes of the preparation of the consolidated financial statements under this Act, and	16 17 18
	(b) is not part of the general government sector for the purposes of this Act or the <i>Fiscal Responsibility Act 2005</i> .	19 20
[25]	Schedule 4 Savings, transitional and other provisions	21
	Insert at the end of clause 1 (1):	22
	<i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i>	23 24
[26]	Schedule 4, Part 6	25
	Insert after Part 5:	26
	Part 6 Provisions consequent on enactment of State Revenue and Other Legislation Amendment (Budget) Act 2008	27 28 29
	14 Application of amendments	30
	(1) The amendments made to this Act by the <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i> apply only in respect of the Budget Papers, consolidated financial statements	31 32 33

and general government sector financial statements for the financial year commencing on 1 July 2008 and the following financial years.	1 2 3
(2) This Act, as in force immediately before the amendments made by the <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i> , continues to apply in respect of the Total State Sector Accounts for the financial year commencing 1 July 2007.	4 5 6 7
(3) The amendments made to section 8 of this Act by the <i>State Revenue and Other Legislation Amendment (Budget) Act 2008</i> do not apply in respect of a monthly statement referred to in that section for a month before July 2008.	8 9 10 11

Schedule 4	Amendment of Public Sector Employment and Management Act 2002 No 43	1 2 3
	(Section 3)	4
	Section 83 Approval to undertake other paid work	5
	Insert “(whether or not that paid work is employment to which this Act applies)” after “employer”.	6 7