



File: T&F18/0297

29 August 2018

Mr Stephen Mullighan MP
Member for Lee
62 Semaphore Road
SEMAPHORE SA 5019

State Administration Centre
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Sent via email: lee@parliament.sa.gov.au

Dear Mr Mullighan

Freedom of Information – Payroll Tax

I refer to your application under the *Freedom of Information Act 1991* (FOI Act), received by the Department of Treasury and Finance (DTF) on 31 May 2018.

Your application specifically requested:

All Minutes, briefings, notes, emails and correspondence from the Department of Treasury and Finance (DTF) to the Treasurer and the Treasurer's Office regarding Payroll Tax and the Liberal party's election commitment to reduce Payroll Tax. Time Frame: 19/03/2018 to 30/05/2018.

Under the Act, an agency has 30 days to respond to a freedom of information request. As DTF did not respond to your request within the time frame required, the department is deemed to have refused you access to all documents relevant to your application. However, I have determined to process the request as if the statutory time frame had been met.

A total of 13 documents were identified as answering the terms of your application and I have determined as follows:

- I grant you access in full to 1 document, a copy of which is enclosed, and
- I grant you access in part to 6 documents, copies of which are enclosed, and
- I refuse you access to 6 documents.

Please refer to the attached schedule that describes each document and sets out my determination and reasons in summary form.

Documents released in full

Document 8

Documents released in part

Documents 4 – 6a

These documents contain information relating to the personal affairs of third parties. Under clause 6(1) of Schedule 1 to the FOI Act, a document is exempt if its disclosure would involve the 'unreasonable disclosure of information concerning the personal affairs of any person'. This information falls within the definition of personal affairs under the FOI Act and is therefore exempt from release pursuant to clause 6(1).

Document 6

Clause 12(1) of Schedule 1 to the FOI Act states that information is exempt from release if 'it contains matter the disclosure of which would constitute an offence against an Act'. This document contains information obtained in relation to the administration or enforcement of the Taxation Administration Act 1996 (the TAA), the release of which would be an offence in accordance with Part 9, Division 3, Clause 77 of the TAA. I have therefore determined this document is partially exempt pursuant to clause 12(1).

Documents refused in full

Document 1

This document is a briefing paper specifically prepared for the use of the Minister in relation to a matter submitted to Cabinet. I have therefore exempted the document pursuant to Clause 1(1)(f) of the FOI Act.

Document 2

This document is a copy of a document specifically prepared for submission to Cabinet. I have therefore determined to refuse access to this document in full pursuant to clause 1(1)(c).

Document 7

This document consists of information which, if released, would disclose details concerning a deliberation or decision of Cabinet and as such is exempt from release pursuant to clause 1(1)(e).

Document 3 and 9

These documents are briefing notes prepared specifically for use in Parliament, the disclosure of which would infringe the privilege of Parliament. I have therefore determined to exempt the document in full pursuant to clause 17(c) of Schedule 1 to the Act

Document 8a

Under clause 10(1) of Schedule 1 to the Act, information is exempt from disclosure if it would be privileged from production in proceedings on the ground of legal professional privilege. This document is a draft bill prepared by Parliamentary Counsel; this information is protected by legal professional privilege, and I have therefore determined it to be exempt pursuant to clause 10(1).

Exemptions

Clause 1 – Cabinet documents

(1) *A document is an exempt document –*

- ...
- (c) *if it is a document that is a copy of or part of, or contains an extract from, a document referred to in paragraph (a) or (b); or*
- (e) *if it contains matter the disclosure of which would disclose information concerning any deliberation or decision of Cabinet; or*
- (f) *if it is a briefing paper specifically prepared for the use of a Minister in relation to a matter submitted, or proposed to be submitted to Cabinet*

Clause 6 – Documents affecting personal affairs

- (1) A document is an exempt document if it contains matter the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)

Clause 10 – Legal Professional Privilege

- (1) A document is an exempt document if it contains matter that would be privileged from production in legal proceedings on the ground of legal professional privilege.

Clause 12 – Secrecy Provisions

- (1) A document is an exempt document if it contains matter the disclosure of which would constitute an offence against an Act.

Clause 77 of the TAA – Prohibition of certain disclosures by tax officers

A person who is or has been a tax officer must not disclose any information obtained under or in relation to the administration or enforcement of a taxation law, except as permitted by this Part.

Clause 17 – Documents subject to contempt etc

A document is an exempt document if it contains matter the public disclosure of which would, but for any immunity of the Crown—

- ...
(c) *infringe the privilege of Parliament*

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), DTF is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars> Please visit the website for further information.

Appeal Rights

If you are aggrieved with this determination, you have a right to apply for internal review under subsection 29(1) of the FOI Act. Pursuant to subsection 29(2), your application must:

- be in writing
- be addressed to the principal officer, and
- be lodged at an office of DTF, or emailed to freedomofinformation2@sa.gov.au within 30 days after the day on which you receive this letter or within such further time as the principal officer may allow.

If you require any further information please phone Natalie Haigh on (08) 8429 0839.

Yours sincerely



Paul Williams

ACCREDITED FREEDOM OF INFORMATION OFFICER

Schedule of Documents

T&F18/0297 - Mr Stephen Mullighan MP - "[Date Range: 19/03/2018 to 30/05/2018] All minutes, briefings, notes, emails and correspondence from the Department of Treasury and Finance (DTF) to the Treasurer and the Treasurer's Office regarding Payroll Tax and the Liberal party's election commitment to reduce Payroll Tax".

Doc. No.	Date	Description of Document	# of pages	Determination	Exemption Clause
1	21/03/2018	Minute - Cabinet Submission	2	Refused in full	1(1)(f) - Briefing prepared for use of Minister regarding matter submitted to Cabinet
2	23/03/2018	Cabinet submission	8	Refused in full	1(1)(c) - Copy, part or extract of document prepared for Cabinet or Cabinet committee
3	30/04/2018	Parliamentary Briefing Note	5	Refused in full	17(c) - Disclosure would infringe the privilege of Parliament
4	6/05/2018	Minute - TRS18D0337 - Ministerial Correspondence - Payroll tax	1	Released in part	6(1) - Unreasonable disclosure of personal affairs
4a	7/05/2018	Letter	1	Released in part	6(1) - Unreasonable disclosure of personal affairs
5	6/05/2018	Minute - TRS18D0338 - Ministerial Correspondence - Payroll tax and Council Rates	1	Released in part	6(1) - Unreasonable disclosure of personal affairs
5a	6/05/2018	Letter	2	Released in part	6(1) - Unreasonable disclosure of personal affairs
6	13/05/2018	Minute - TRS18D0339 - Ministerial Correspondence - Abolish Payroll Tax	1	Released in part	6(1) - Unreasonable disclosure of personal affairs
					12(1) - Disclosure would constitute an offence against an Act
6a	13/05/2018	Letter	1	Released in part	6(1) - Unreasonable disclosure of personal affairs
7	17/05/2018	Minute	3	Refused in full	1(1)(e) - Contains information concerning deliberation or decision of Cabinet or Cabinet committee
8	28/05/2018	Email - FW: Timing of Payroll Tax Legislation	3	Released in full	
8a	28/02/2018	Draft Payroll Tax (Exemption for Small Business) Amendment Bill 2018	13	Refused in full	10(1) - Subject to legal professional privilege
9	29/05/2018	Parliamentary Briefing Note: Payroll Tax - 1 January 2019 Commencement Date	2	Refused in full	17(c) - Disclosure would infringe the privilege of Parliament

Abril, Rolando (DTF)

From: Siow, David (DTF)
Sent: Monday, 28 May 2018 2:54 PM
To: Raymond, Greg (DTF)
Cc: Robertson, Julian (DTF)
Subject: FW: Timing of Payroll Tax legislation
Attachments: Payroll Tax (Exemption for Small Business) Amendment Bill 2018.comment.0....pdf

Importance: High

Hello Greg,

Thank you for this. I left a voicemail on your mobile. Please proceed with the consultation of the attached Bill with the State Taxes Liaison group as soon as you can.

Thanks and regards.

David Siow

Ministerial Adviser

State Administration Centre, Level 8, 200 Victoria Square ADELAIDE SA 5000
 t +61 8 8226 2708 | e David.Siow@sa.gov.au | w treasury.sa.gov.au



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From: Raymond, Greg (DTF)
Sent: Friday, 25 May 2018 4:43 PM
To: Siow, David (DTF) <David.Siow@sa.gov.au>
Subject: Timing of Payroll Tax legislation

Hi David

Parliamentary Counsel have prepared a Bill to amend the *Payroll Tax Act 2009* to implement the Government's election commitment to cut payroll tax for small business (copy attached). The drafting of Bill took some time as liability for payroll tax is based on financial year, whereas the changes are commencing from 1 January 2019. This increases the amount of amendments required to ensure the correct annual liability in the 2018-19 financial year.

As part of the Cabinet Submission to draft the amendments, it was proposed that the draft bill would be provided to Revenue SA's State Taxes Liaison group for comment prior to being introduced into Parliament. The tax liaison group includes representatives from: the Law Society of South Australia, the Institute of Public Accountants, the Law Council of Australia, the Tax Institute, the Australian Institute of Conveyancers (SA Division) Inc, the Property Council of

Australia, Business SA, the Real Estate Institute of South Australia Inc, the Institute of Chartered Accountants in Australia and CPA Australia. While the current version of the Bill has been reviewed by DTF, including Revenue SA, external consultation is sometimes undertaken on tax related bills to ensure that practitioners and other stakeholders do not find any unintended consequences from the drafting of the proposed changes.

Prior to undertaking any consultation we wanted to get confirmation from the Office to both proceed with the consultation and also for the proposed timing for the Bill.

Draft timeline

The Government's plan for the first 100 days in office includes the introduction of legislation to implement the payroll tax cuts into parliament. If this is going to be achieved then my understanding is that the latest the legislation can be introduced into Parliament is 21 June.

Based on this date we have prepared a proposed timetable for consultation and Cabinet consideration for your review (see below).

- Consultation period – Monday 28 June to Thursday 7 June
- Cabinet submission lodged with Cabinet Office (current version of bill) – Friday 8 June
- Feedback from consultation reviewed any changes, if required, made to the Bill – Friday 8 June to Thursday 14 June
- If required updated version of Bill provided to Cabinet Office for circulation – Friday 15 June
- Cabinet consideration of submission to introduce Bill – Monday 18 June
- Bill introduced into Parliament – Tuesday 19 June – Thursday 21 June Sitting week

For an effective consultation period, we would need to allow at least 1 ½ to 2 weeks. This causes some potential issues with Cabinet lodgement dates. To address this we were proposing that the Cabinet Submission lodged on 8 June would include the current version of the *Payroll Tax (Exemption for Small Business) Amendment Bill 2018*. In parallel with the submission being lodged we would consider any comments raised as part of the consultation process, and if required we would make any amendments to the Bill by 14 June. This would allow a revised version of the Bill to be provided to Cabinet Office for circulation on Friday 15 June (if required), ahead of Cabinet consideration on 18 June. This would be the preferred approach.

The alternative would be to not undertake any consultation and submit the current version of the Bill into parliament.

Subject to the approval of the Office we will release the Bill for comment and proceed on the basis of the above lodgement timetable.

It would also be appreciated if the office could seek approval for the *Payroll Tax (Exemption for Small Business) Amendment Bill* Submission to be included on the Cabinet forward planner (consistent with Cabinet Office protocols). This will allow us to arrange for the relevant Cabinet Comments on the submission.

Please let me know if you require any further information.

Thanks,

Greg Raymond

Director | Revenue & Intergovernmental Relations | Budget and Performance Branch

State Administration Centre, Level 6, 200 Victoria Square ADELAIDE SA 5000

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MINUTE



Government
of South Australia

Department of Treasury
and Finance

MINUTES forming ENCLOSURE

File T&F16/0659

Doc No TRS18D0337

To The Treasurer

MINISTERIAL CORRESPONDENCE - PAYROLL TAX

Timing: ROUTINE — Ministerial correspondence

Recommendations/Issues: It is recommended that you:

- note that **Clause 6** has written to the Premier about the proposed payroll tax relief measure. The correspondence has been forwarded to you for a direct response; and
- sign the attached response to **Clause 6**

Noted

Hon Rob Lucas MLC
Treasurer

6/5/18

Tammie Pribanic
EXECUTIVE DIRECTOR
BUDGET, ANALYSIS AND PERFORMANCE

26 April 2018

Contact Officer:	Rolando Abril
Telephone:	822 68911
Email address:	Rolando.Abril2@sa.gov.au

The Hon Rob Lucas MLC



**Government
of South Australia**

TRS18D0337

Treasurer
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200 Victoria Square
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DX 56203 Victoria Square
Tel 08 8226 1866
treasurer.dtf@sa.gov.au

Clause 6.1

Dear Clause 6.1

Thank you for your email to the Premier, the Hon Steven Marshall MP, about payroll tax reforms the Government announced during the 2018 State Election. As this matter falls within my portfolio of responsibilities as Treasurer, your correspondence has been forwarded to me for a response.

As part of our 100 Day Plan, I have issued instructions for the preparation of legislative amendments to exempt all businesses with annual national payrolls of less than \$1.5 million from payroll tax, consistent with our election commitment. These changes will apply from 1 January 2019.

This measure will benefit thousands of eligible small and medium sized businesses by reducing their payroll tax liability by up to \$44,550 per annum. By providing this exemption the Government will assist businesses to create more jobs and make South Australia a more attractive place to invest and grow.

As noted in your correspondence, the legislative amendments to implement this measure must be passed through both the House of Assembly and Legislative Council before being presented to the Governor for formal assent and becoming law. This is consistent with all changes to legislation. Following appropriate consultation, the legislative amendments to implement this measure will be introduced into Parliament with sufficient time to ensure they can be in place by 1 January 2019.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Rob Lucas".

Hon Rob Lucas MLC
Treasurer

7 May 2018

MINUTE



Government
of South Australia

Department of Treasury
and Finance

MINUTES forming ENCLOSURE

File T&F16/0659

Doc No TRS18D0338

To The Treasurer

MINISTERIAL CORRESPONDENCE - PAYROLL TAX AND COUNCIL RATES

Timing: ROUTINE — Ministerial correspondence

Recommendations/Issues: It is recommended that you:

- note that **Clause 6** has written to the Premier about the payroll tax relief and council rate capping election commitments. The correspondence has been forwarded to you for a direct response;
- sign the attached response to **Clause 6**

Noted

Hon Rob Lucas MLC
Treasurer

6/5/18

Tammie Pribanic
EXECUTIVE DIRECTOR
BUDGET, ANALYSIS AND PERFORMANCE

26 April 2018

Contact Officer:	Rolando Abril
Telephone:	822 68911
Email address:	Rolando.Abril2@sa.gov.au

The Hon Rob Lucas MLC



**Government
of South Australia**

TRS18D0338

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treasurer.dtf@sa.gov.au

Clause 6.1

Dear Clause 6

Thank you for your email to the Premier, the Hon Stephen Marshall MP, about the payroll tax relief and council rate capping election commitments. As this matter falls within my portfolio of responsibilities as Treasurer, your correspondence has been forwarded to me for a direct response.

You have asked how the Government is going to introduce these policies and meet the expected costs.

The Government is committed to lowering costs for families and businesses by delivering these and other important reforms.

As part of our First 100 Days Plan I have issued instructions for the preparation of legislative amendments to exempt all businesses with annual national payrolls of less than \$1.5 million from payroll tax, consistent with our election commitment. These changes will apply from 1 January 2019.

This measure will benefit thousands of eligible small and medium sized businesses by reducing their payroll tax liability by up to \$44,550 per annum. By providing this exemption the Government will assist businesses to create more jobs and make South Australia a more attractive place to invest and grow.

The Government has also committed to introduce legislation for the Local Government Rate Capping Scheme (the Scheme) within our first 100 days in office.

Council rates are one of the biggest taxes property owners pay on an annual basis. This measure aims to prevent excessive increases in council rates year on year and ease cost of living pressures on South Australian households and businesses.

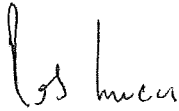
To meet the costs of these and other commitments the Government has announced, the Government will implement a range of responsible savings measures. This includes a reduction in expenditure on consultants and contractors, a cut in government advertising and communications expenditure, and an efficiency dividend

on the public sector. Importantly, front line services will be quarantined from the efficiency dividend.

All of the Liberal Party commitments were costed by an independent costing expert.

Further details on our commitments and savings will be included as part of the 2018-19 budget.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Lucas'.

Hon Rob Lucas MLC
Treasurer

6 May 2018

MINUTE

MINUTES forming ENCLOSURE

File T&F16/0665
 Doc No TRS18D0339



Government
 of South Australia
 Department of Treasury
 and Finance

To The Treasurer

MINISTERIAL CORRESPONDENCE – ABOLISH PAYROLL TAX

Timing: ROUTINE — Ministerial correspondence

Recommendations/Issues: It is recommended that you:

- note that **Clause 6** has written to the Premier about abolishing payroll tax. **Clause 6** correspondence has been forwarded to you for a direct response;
- **Clause 12**
- sign the attached response to **Clause 6**

Noted

Hon Rob Lucas MLC
 Treasurer

13/5/18

Tammie Pribanic
EXECUTIVE DIRECTOR
BUDGET, ANALYSIS AND PERFORMANCE

28/4/2018

Contact Officer:	Eka Baker
Telephone:	822 69620
Email address:	eka.baker@sa.gov.au



The Hon Rob Lucas MLC



**Government
of South Australia**

TRS18D0339

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Clause 6

Dear Clause 6

Thank you for your email to the Premier, the Hon Steven Marshall MP, about payroll tax. As this matter falls within my portfolio responsibilities as Treasurer, your correspondence has been forwarded to me for a response.

The Liberal State Government is committed to delivering reforms to improve the State's competitiveness and investment attractiveness. During the state election, the Government committed to exempting businesses with nation-wide wages below \$1.5 million per annum from payroll tax. This measure will save thousands of eligible small businesses up to \$44,550 in payroll per annum. Legislative amendments to implement this policy are currently being prepared, with the measure to commence from 1 January 2019 subject to Parliament's approval.

The Government has also committed to a range of other measures to assist businesses and grow the economy. This includes providing \$90 million per annum relief on ESL bills, reducing land tax liabilities, deregulating shopping hours and supporting an increase in apprenticeships and traineeships.

While the Government will continue to assess options for further payroll tax reform, it is the largest source of taxation revenue in South Australia raising around \$1.2 billion per annum. Any further reforms need to be undertaken in a fiscally responsible manner to ensure that we can continue the essential services provided by the Government such as health, education, law enforcement, public transport and infrastructure.

Thank you for taking the time to share your views with the Government and I wish you all the best with your business.

Yours sincerely

A handwritten signature in black ink, appearing to read "Rob Lucas".

Hon Rob Lucas MLC
Treasurer

13 May 2018