

PAYROLL TAX, CONTRACTORS

1467. Hon MURRAY CRIDDLE to the minister representing the Treasurer:

Given that the Office of State Revenue states that there has been no change in interpretation of the employer-contractor issue since legislation was introduced in 1971 and that I have been advised by the Treasurer that there is a process in place to deal with taxpayer objections, will the following information be provided for engineering construction contractors during 1997-98 and each subsequent financial year -

- (1) How many payroll tax assessments were issued for payments to contractors?
- (2) How many objections were lodged against assessments of payroll tax on payments to contractors?
- (3) How many of these were allowed in full on the basis that they were bona fide contractors?
- (4) What is the average time to have those objections decided?
- (5) How many appeals resulted from the disallowance of those objections?
- (6) How many of those appeals have reached the Supreme Court?
- (7) How many of those appeals are still outstanding?
- (8) Given that the commissioner issued a public ruling - payroll tax ruling PT6 - in September 1998, will the commissioner provide a list of names of businesses and organisations to which the ruling was sent at that time?
- (9) Does the Office of State Revenue have a policy on retrospective payroll tax assessments when a business has had a previous payroll tax audit and found not to have a payroll tax liability?

Hon N.D. GRIFFITHS replied:

I thank the member for some notice of this question.

Hon Murray Criddle: Three days.

Hon N.D. GRIFFITHS: As I said, some notice.

- (1)-(9) The Office of State Revenue has never stated that there has been no change in interpretation on the employee-contracting issue since payroll tax legislation was introduced in 1971. It has been stated that the provisions in relation to contractors that are currently being used have been part of Western Australian law since 1982 and have been used to raise assessments on numerous occasions over a number of years. I am advised that over the time those specific provisions have been in existence there has been no change in the application insofar as they rely on the establishment of an employer-employee relationship.

The Commissioner of State Revenue has advised that it will take some time to identify and extract the data pertaining to the engineering construction contractors. Accordingly, I request that the member place that part of the question on notice.