

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into ride sourcing services

Melbourne — 8 March 2017

Members

Mr Bernie Finn — Chair

Mr Khalil Eideh — Deputy Chair

Mr Jeff Bourman

Mr Nazih Elasmr

Ms Colleen Hartland

Mr Shaun Leane

Mr Craig Ondarchie

Mr Luke O'Sullivan

Participating members

Mr Greg Barber

Ms Samantha Dunn

Mr Cesar Melhem

Mr Gordon Rich-Phillips

Witnesses

Mr Paul Broderick, Chief Executive Officer and Commissioner, and

Mr Vasko Nasteovski, Manager, Legislation and Government Relations, State Revenue Office Victoria.

The CHAIR — I open this public hearing of the Standing Committee on the Economy and Infrastructure of the Legislative Council. I welcome our two witnesses this evening from the State Revenue Office Victoria: Mr Paul Broderick, the chief executive officer and commissioner; and Mr Vasko Nastevski, who is the manager of legislation and government relations. Gentlemen, thank you.

The committee is hearing evidence today in relation to the inquiry into ride sourcing, and the evidence is being recorded. All evidence taken today is protected by parliamentary privilege. Therefore you are protected for what you say here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege. I ask you to address the committee for a period, and we will then open up to questions and see where we go from there. So, gentlemen, over to you.

Mr BRODERICK — Thanks for inviting us to attend this hearing. If I could start off by saying the State Revenue Office has been asked by the Victorian government to implement a commercial passenger vehicle service levy, and I am here to provide some information to the committee about that. I will start by saying that the bill is still proceeding through the Parliament, as you know, so we are not sure yet what the exact details of the administration will be. However, I can provide some information that may be, hopefully, of assistance.

Over the years the SRO has successfully implemented many levies, taxes and grants from scratch, so the organisation is experienced in this type of work. We place great emphasis on corporate governance and have ISO quality certification as well as ITIL certification. Ernst & Young are our internal auditors and we are also subject to audits from the Auditor-General as well as our own internal quality audits. We also use PRINCE2 methodology to manage and control our IT projects, costs and time lines. We know that no-one likes paying taxes, but we try to make it as easy and as painless as possible. The last customer survey of people who called our call centre for help indicated a satisfaction rate of 96 per cent.

Our most recent implementation of a government initiative, the Back to Work scheme, required a whole new administration and a new IT system to be built. This was completed on time and on budget. We are pleased to say that once the system was in place we received over 3000 positive comments from users, especially about the ease of use of the system and the amount of help information available.

Another recent example of a successful system implementation is the Duties Online system, which was co-designed with users so that they had direct input into how the system would work. This has proved to be so successful that the take-up rate of this system stands at 97 per cent.

With the CPVS levy, we aim to make the collection process as easy as possible for all users. We understand that payers may not be happy about making this payment, so we do not want to add to this unhappiness by making the collection process onerous. Therefore we will seek representatives from the industry to work with us to develop a system that is as easy to use as possible while collecting all the revenues that are due.

The high-level administrative framework around the CPVS levy has been designed to minimise as much as possible the burden on those liable to pay the levy. Levy payers will self-assess their levy liability and lodge an electronic quarterly return with the levy payment. The information required to enable a self-assessment is essentially the same information that industry participants are currently required to collate and keep.

We have been currently working on the implementation of this scheme. We have appointed a project leader and we are cooperating with other departments such as DEDJTR, the Taxi Services Commission, the Department of Premier and Cabinet, and the Department of Treasury and Finance.

Finally, it is worth noting that all SRO employees operate under the secrecy provisions of the Taxation Administration Act and are not permitted to discuss the affairs of any levy payers outside of their work. Thank you.

Mr NASTEVSKI — Paul said that bit on behalf of both of us. Thank you.

The CHAIR — Thank you for that presentation. I just have a couple of questions to begin with. How much will it cost to collect this tax?

Mr BRODERICK — As I mentioned in my opening comments, because the legislation is not yet settled we are not exactly sure of that, and it would be a little bit remiss of me to try and take a guess at it. What we will be trying to do, though, is we will be trying to minimise the costs of the administration of it, but there will be an IT

system that needs to be developed and there will be communications needed to be provided to users. We will need to have a compliance program in place, we will need to make sure we have a consultation process in place as well. So there will be costs of administration associated with those, but I am not in a position at this stage to be able to provide you with an estimate of that.

The CHAIR — Under the legislation as it currently stands, how much will it cost to collect? We know that it could change as it goes through the upper house, but with the legislation as it currently stands, how much will it cost?

Mr NASTEVSKI — So the question is as currently the bill stands. It is still difficult to determine that because there is also a second tranche of reforms that the government has intentions of putting through the Parliament. Based on this tranche and the second tranche, we are not quite certain as to where the market might land and how many taxpayers there might be, so it is difficult to cost how many taxpayers, or levy payers I should say in this respect, we may need to cater for and accommodate.

The CHAIR — Right. Can you give me an idea — \$2 has been suggested as the average charge. We have heard from others that it might be more; we have heard that it could be \$5. What is your estimate, if indeed it is an estimate, of what we are looking at here per ride?

Mr BRODERICK — In the bill it says up to \$2, so we are operating on that basis.

The CHAIR — You are operating on that basis?

Mr BRODERICK — Yes.

The CHAIR — If you can operate on that basis in the current bill, why can you not tell us how much it will cost to collect?

Mr BRODERICK — Because sometimes the cost of collection is not actually related to how much you collect. For instance with payroll tax, payroll tax is a highly efficient tax. There are about 41 000 taxpayers and it collects about \$5 billion in revenue, but we do not have many people collecting it because it is quite simple. We do not know what the complexity of this will be. We are trying to minimise it — we will work to minimise it, especially in terms of the levy payers — but we do not know exactly what the cost will be at this stage.

The CHAIR — This tax will be to pay for compensation to taxidriviers, I am assuming. Is that what the idea of this tax is about?

Mr BRODERICK — Our job is to collect the revenue according to the law, and we are expecting that we will collect about \$44 million, which is what is publicly known, and we will try our best to make sure that we collect the full amount of that revenue. But what the government does with that revenue is up to the government. It is exactly the same with all the taxes we collect.

The CHAIR — How long do you anticipate this tax will be on the customers?

Mr BRODERICK — In the bill there is no sunset horizon as far as I am aware, but there is a capacity in the bill for the levy to be reduced and it could be reduced to zero.

The CHAIR — Right.

Mr BRODERICK — It is not at my discretion; it is at the government's discretion.

The CHAIR — We would love to get the minister in but she is not all that keen on doing that. So your view is that it could go for ever?

Mr BRODERICK — I have no idea. I really cannot answer that question.

The CHAIR — But it could. Under the legislation there is no sunset clause, so it could go for ever.

Mr LEANE — A lot of things could happen.

The CHAIR — I am asking one thing.

Mr O'SULLIVAN — The minister has actually confirmed that on radio that it would not be on balance — —

Mr Leane interjects.

The CHAIR — Just one at a time please. One at a time, gentlemen.

Mr LEANE — Anything could happen.

Mr BRODERICK — In answer to your question, if we are administering the bill and the bill becomes an act as it stands, it could go on for as long as the government wants it to go on.

The CHAIR — Okay. Thank you very much.

Mr EIDEH — I have got a question, and after that I will leave the rest for other members. My question is: the government's reform involves the replacement of the licence fee — currently \$23 000 — with a \$2 per trip levy. The Taxi Services Commission currently collects taxi and hire car licence fees. Why is the SRO collecting the levy, not the State Revenue Office?

Mr BRODERICK — I understand the question. The decision was made by the government because the State Revenue Office is quite familiar with the collection of revenue through levies or taxes. We also administer a lot of grants. So they wanted us to do it, and it makes, I guess, the regulation independent from the collection.

Mr EIDEH — There is some suggestion that the companies may not pay the levy, so do you believe that you have sufficient power to enforce compliance?

Mr BRODERICK — Yes, we do. We believe we have got sufficient. The act references the Taxation Administration Act, which is the act we use to enforce compliance for the other revenue lines that we administer, so we do not believe that there is any impediment to us in the way the legislation is framed that would prohibit us from ensuring effective compliance.

Ms DUNN — Thank you, gentlemen, for your submission. You talked about an income of, I think, \$44 million per annum, so the logical extension to that is that that is 22 million trips, if it is \$2 a trip. I am just wondering: has the State Revenue Office at all looked at how many trips there are annually in the marketplace, whether that is rideshares, taxis or hire cars, in order to, I guess, evaluate the actual workload around collecting this particular levy?

Mr BRODERICK — Thanks for your question. The Taxi Services Commission has been responsible for determining the \$44 million. We have not been involved in it.

Ms DUNN — Fair enough.

Mr BRODERICK — We do not have the background in the taxi industry to provide any logical estimates in that area. So we are just going by what the estimates are that were provided by DEDJTR to the government.

Ms DUNN — So you are relying on another agency?

Mr BRODERICK — We are, yes.

Ms DUNN — That is fair enough.

Mr BRODERICK — Or an agency with the skills to be able to estimate that.

Ms DUNN — Thank you. I am interested particularly I guess in how the model works. You talked about it being a self-assessment model in terms of people reporting to you. I am assuming they report how many trips and how much money they owe you, and they pay you. That is the general philosophy around that. I am just wondering about the compliance around that and how potentially that may be an easy thing to misreport and what the compliance arrangements would be around that. It is my understanding that some transport services in fact hold all their data overseas, so they do not actually hold data in this country, and how you would approach that as the SRO in compliance matters.

Mr BRODERICK — Sure. We have access to a lot of data information. We have access to the Taxi Services Commission data, we have access to ATO data, ASIC data and the rental bond authority. We have an area in our organisation called forensics and information management. That area is quite skilled at using data matching to provide us with targets where we investigate. In fact last year that was so successful that I think that for the over 95 per cent of people who we investigated, there was some result. Largely they owed us tax but in some instances we actually owed them revenue.

What we are trying to do with this is we are trying to use a soft-touch approach in terms of not bothering people who are likely to be doing the right thing while concentrating on people who may be not doing the right thing. Those will be the principles that we use with this. So in addition to data matching we have compliance officers and we will be liaising with the Taxi Services Commission in terms of mystery shoppers and those sorts of things.

What we are trying to do is make this levy self-assessing and as easy to pay as possible. That is its starting point with these things. If you can make it easy to pay, then people are less likely to try and find ways to avoid it. But if there are people who try and find ways to avoid it, we will actually be onto that and we will develop plans in place. The other thing that will happen is as we become familiar with this particular levy a process of discovery will help us find out and target better and better and better and hopefully we will be more precise about our compliance programs as we progress.

Mr NASTEVSKI — If I can just add to Paul's answer there, we do also have the relevant legal mechanisms to compel third parties, for example, to provide us with any data or information that we may need to determine a levy payer's liability. As Paul mentioned at the outset, the Taxation Administration Act, which we administer, has got a wide array of investigation and enforcement provisions that we can utilise.

Ms DUNN — That allows you even to access overseas data?

Mr NASTEVSKI — Yes, so long as we are inquiring into or investigating a liability that belongs to Victoria there is that extraterritorial application.

Ms DUNN — Okay. Thank you.

Mr BOURMAN — I am actually just wanting to tease out the extraterritorial bit a little bit. The debt may be owed to Victoria, but Uber — I will use Uber, but it is all ridesharing — is somewhere in California. It is my understanding that ridesharing companies are very reluctant to have anything to do with any other country's tax problems. If they just refuse to give us any data, are there any mechanisms or any agreements between the countries that you are aware of where we can actually put some sort of pressure? Because otherwise they will just say no.

Mr NASTEVSKI — Firstly, I am not aware of any interjurisdictional agreements between countries that would provide that. There may be at the federal level; I am not sure if one exists at the state level. But there are legal mechanisms available to us to seek to get that information and to compel ridesharing services to provide that. Of course if after a period of time certain ridesharing entities are not willing to comply, provide information or pay their levy in Victoria, we can always refer that to the Taxi Services Commission, who can take their own administrative action. What I mean by that — and the bill provides for this — is that they will effectively make it unlawful for drivers to drive for that particular entity in Victoria. It sort of takes away their employees or that relationship, so it incentivises that provision of information.

Mr BOURMAN — What I foresee is that the taxi industry itself will probably be very compliant. They are used to it. They are here. They will adapt, although it will cost them. But I foresee that getting anything out of a ridesharing company that is not based in this country, we are either going to have to try to get out of the drivers, which revolves around a self-assessment criteria, or we are not going to get it. It is just totally out of our jurisdiction, the way I understand it, for us to try and get anything, even just information, let alone money, out of another company if they do not want to provide it.

Mr NASTEVSKI — We do have legal mechanisms, as I said, to require that information. Of course if they do not provide it, we can always seek to litigate in the courts in Victoria. Of course that is a case of last resort. But as I mentioned before, the way I understand these reforms is that they should in theory disincentivise ridesharing services from that sort of behaviour.

Mr BOURMAN — I know where you are going, and I know what you are saying. I guess what I am saying is that someone in America is not subject to the jurisdiction of a Victorian or an Australian court.

Mr BRODERICK — But if they have no drivers, then there is no business for them. That is up to the Taxi Services Commission, but if they have no people that are allowed to drive for them because it becomes illegal, then that makes the business model a little bit harder, I would imagine.

Mr BOURMAN — It does, but they are already doing it, and it was illegal.

Mr NASTEVSKI — It raises the legal question as to whether some of those ridesharing services do have an Australian presence, a Victorian presence, in terms of legal status here.

Mr BOURMAN — So we are hoping — and I am not trying to verbal you here or anything like that — that the Victorian entity is going to be honest enough, and this is not a comment on anyone, to cough up. I know a lot of the bigger corporations do all sorts of deals with Australian entities, but they pay so little tax because of the way they structure themselves. They pay it all overseas at a lower rate. I just do not want the taxi industry to be paying full hook and the other part of the equation getting away with a lesser rate when, if it is going to be on at all, it really should be equal.

Mr BRODERICK — Precisely. Can I just say that in the tax administration State Revenue Office one of the things we do pride ourselves on is making sure that we apply the tax laws evenly to everybody. You may not know this, but we apply exactly the same approach to big business as small business, individuals, companies or anybody. Our staff are very vigilant about making sure that the tax laws are applied as evenly as possible throughout all our administration. We have numerous examples of that, and that certainly is something that is in our minds. We certainly will be making sure that we do our absolute best to make sure that this is applied equally to all players in the industry.

Mr BOURMAN — It is no reflection on the SRO. I mean, the ATO gets a few honourable mentions when people are upset; the SRO rarely comes up. It is not a reflection on your organisation; I think it is just a reflection on the possibilities. I think as you said earlier on, everyone wants to pay the least tax they can. ‘No-one likes paying tax’, I think you said, and if there are ways of getting around it, I am just concerned that people that have been in the tax industry so long are going to be the ones doing the right thing, and it is just going to be like juggling flaming kittens trying to get it out of all these ridesharing people.

Mr BRODERICK — I can assure you that we will be doing our utmost to make sure the levy is applied evenly across the board to all participants in the industry. In Victoria it is not being implemented until the first quarter of next year at the earliest, so we have still got almost 12 months to make sure our compliance programs are addressing all those issues that you have raised.

Mr BOURMAN — Thank you.

Mr LEANE — Just following on from Jeff’s question, I would imagine the SRO collect revenue from companies that do have head offices based overseas.

Mr BRODERICK — Yes.

Mr LEANE — It is nothing new to the SRO. Has the SRO’s experience in being able to collect the information and the funds from those companies been a bad experience? Have there been any unique cases where these companies have not wanted to comply with existing revenue streams to the state government?

Mr BRODERICK — My experience is that the large companies are usually, in our experience, quite good corporate citizens in terms of paying taxes. To give you an example, our tax debt in Victoria hovers around about 1 per cent. If you look at the OECD figures — we often compare ourselves with the OECD figures — those figures are far higher. Look at countries like Greece, with 77 per cent; Belgium was 34 per cent; the United States is about 6 per cent in terms of debt; the UK is about 5.5 per cent; the ATO is about 5.5 per cent. So we pride ourselves on trying to make sure that we collect all the revenue that is due no matter who the taxpayer is. I cannot go into any details about specific instances, of course, but there are lots of instances where we have had to make sure that we got money from external — —

As I say, I have got to be careful not to go into specific instances, because you will probably know who these taxpayers are if I mention it. Suffice to say that there are some large taxpayers that we pursue. If they buy property in Victoria, we will pursue them. If they transact in Victoria, if they employ people in Victoria, payroll tax will be payable.

Mr LEANE — I suppose the SRO's role in the reference that we have in front of us today as a committee is that the SRO does not have any input or does not give any advice to a government about setting any type of levy or any level of a levy. That is not the SRO's role.

Mr BRODERICK — No, we do not.

Mr LEANE — So the role is up to government in this case. As you said with the legislation, there is a \$2 a ride levy prescribed in that legislation. If that bill becomes legislation, then the SRO's role is to collect that levy.

Mr BRODERICK — That is right.

Mr LEANE — And will it be in the form that every quarter people in this industry will self-assess and send an amount of money electronically to the SRO?

Mr BRODERICK — That is right, yes.

Mr LEANE — And that is per ride. They will send some details: 'There were 1000 rides. Therefore we are sending X amount of money'.

Mr BRODERICK — Yes.

Mr LEANE — And then the SRO collects that money into the revenue. Then if there are any anomalies, there might be a random audit on that process into the future.

Mr BRODERICK — That is right.

Mr LEANE — Other than that, in this particular instance and other instances when levies have been set, that is pretty much the role of the SRO.

Mr BRODERICK — That is pretty much the role of our organisation; that is right, yes. Just to pick up on the point that you raised about the quarterly return, we have been talking with our colleagues in New South Wales who are also implementing a rideshare levy, and they are going for a monthly return and it is on an assessing basis. So what we have decided to do is go for a quarterly return because it matches up with the BAS statement for most cabs, and that is going to make it easier. So hopefully the information that they provide in their BAS will also be relevant information that is provided in the return that we want. Also, we will be doing a self-assessing process rather than an assessment process where the organisation — the Office of State Revenue in New South Wales — will send out an assessment note. We looked at what they have been doing and we thought, 'Well, there are probably some easier ways to do this with industry'.

Mr LEANE — So the information that needs to be supplied for this levy is already being collected under the BAS, is it?

Mr BRODERICK — Yes.

Mr LEANE — So we are not asking — —

Mr BRODERICK — We are not asking people to collect any further information than what they are currently expected to do. Whether they all collect it at the moment or not I do not know, but the information that is expected to be collected is the information that we will be requiring.

Mr LEANE — And that is the existing players in this industry.

Mr BRODERICK — That is right, yes.

Mr LEANE — So the new players, they have to — —

Mr BRODERICK — Will be required to meet the same standard.

Mr LEANE — Getting back to Mr Bourman's concern, if one of the new players sends you a quarterly statement and says, 'We've had 30 rides and we're giving you that times \$2', obviously anything like that will flag some sort of alarm for the State Revenue Office that that just does not make any sense.

Mr BRODERICK — Yes, those are the sorts of indicators that we would use.

Mr O'SULLIVAN — Thanks for coming in. I have just got a couple of questions more based around how this will operate in regional communities. If you look at some of the compensation that will be paid for the taxi licences and you compare that to the taxes that will be accumulated, \$2 by \$2 by \$2, in some of these smaller communities where the compensation is not particularly high — was it \$15 000 up to \$25 000 and so forth — we have heard evidence that some of those compensation amounts will be paid off by fares within that local community within nine months of the program actually starting. Then after that licence has actually been effectively paid out by the \$2 that has been collected on every fare, those communities will have to go on paying for a compensation regime when the compensation for their local cabs has actually already been paid out. Is there anything in the fine paperwork in terms of how that might operate, or will those local communities just have to keep paying and paying and paying beyond when the compensation for the local taxis has been paid out?

Mr NASTEVSKI — The bill as it currently stands requires a person who is liable to pay the levy to pay it to the State Revenue Office. It does not talk about where they collect it from. So in the deregulated market space there will be, I suspect, some sort of capacity to set your own fares. If that particular licence has been paid out, those operators in those areas, depending on the competition in the marketplace, will have the ability to set their own fares, which may necessarily not include a \$2 levy, for example.

Mr O'SULLIVAN — Will the state government or the State Revenue Office still go on collecting or demanding that they pay \$2 for every fare?

Mr NASTEVSKI — They still have to pay the levy to us, yes, but what they do in terms of, as you were talking about, the community having to continue to pay the levy, then yes.

Mr BRODERICK — If the levy still resides in the act, we will just have to collect it, no matter how long it takes. Our job is basically to administer, as you know, the will of the government, and the will of the government as expressed through this bill is that \$2 needs to be collected. So we would continue to do that, and I guess the implications for our local community would need to be addressed by the government.

Mr O'SULLIVAN — Is there any sort of fairness equation that is applied in terms of the way this will be, I guess, forced upon low-income earners, people with a disability or a fixed income, the elderly?

Mr BRODERICK — I am not aware of any concession arrangement, if that is what you are referring to, in the bill. There is nothing in there as far as we are aware.

Mr NASTEVSKI — No, and this is probably beyond our remit, but I think I understand that government is also looking to facilitate some sort of compensation for mobility-impaired vehicles and stuff, but that is not something that we have been involved with.

Mr O'SULLIVAN — There have been also some issues that have arisen in relation to GST. How is that going to work in terms of applying GST to a levy — commonwealth GST to a state levy — on top of the fare itself? How is that going to work its way through, and is it going to be above the \$2 or is it going to be taken out of the \$2? How is that going to work?

Mr NASTEVSKI — I am not a GST lawyer, but the way I understand the GST to operate is that it gets imposed on the service. In the instance that we are talking about it will be imposed on the fare that is charged, So whether that fare includes a \$2 levy or a tollway fee or some other type of business cost, the GST will be charged on the fare per se.

Mr O'SULLIVAN — So will there be two GSTs charged on the actual fare and then the tax itself, or will there be only one GST that will cover the whole lot?

Mr NASTEVSКИ — On the service that is provided, so on that single service that is provided, so in this instance the fare.

Mr BRODERICK — The total amount that is charged.

Ms DUNN — So it will be captured by GST if the levy is considered part of the fare.

Mr NASTEVSКИ — A taxi service fare is currently captured by GST, so that continues. That will continue to be the case. So that fare may or may not include a \$2 levy or somebody might charge a lower levy. That depends, in the deregulated marketplace, on how they charge their fares.

Mr O'SULLIVAN — Just one further question at this stage, which is in relation to some of those communities that are along the Murray River that have a single community that stretches both sides of the river. It is the old cross-border anomaly situation that pops up all over the place. I have been hearing that some Victorian-based taxi operators actually have taxis that are registered both in Victoria and in New South Wales. So, within this, is there any consideration as to how that might work? How do they work it? If their taxis are registered in New South Wales but the business is actually in Victoria, will those taxis that are registered in New South Wales have to charge that \$2 tax on top?

Mr NASTEVSКИ — I think there are a couple of components here, and the first one I cannot really answer. I am not really sure of the accreditation and licensing arrangements that are in place and whether that sort of person will need to have that taxi also licensed in Victoria and the drivers accredited in Victoria.

Mr BRODERICK — We can take that on notice if you like and get back to you.

Mr NASTEVSКИ — It is probably more for the Taxi Services Commission.

Mr O'SULLIVAN — Just one other question to that: if you have a New South Wales-registered taxi and the company is in New South Wales, but they are in Victoria picking up fares, will they have to charge the \$2 as well?

Mr BRODERICK — We will take that on notice as well if that is okay.

Mr BOURMAN — I will be really quick. I pretty well know the answer to this, but I would like it on record. I am assuming that every rideshare driver is going to have to register, get an ABN and submit a BAS no matter how many trips they may or may not make.

Mr NASTEVSКИ — In the new landscape, following these reforms — —

Mr BOURMAN — Assuming it goes through as is, not right at the moment.

Mr NASTEVSКИ — My understanding is that all the drivers will need to be accredited through the Taxi Services Commission, but again that is beyond our expertise.

Mr BRODERICK — We are expecting that they will be registered and accredited through the Taxi Services Commission.

Mr BOURMAN — You mentioned earlier on that through BAS statements you would have an idea about what people are meant to be doing.

Mr NASTEVSКИ — Yes.

Mr BOURMAN — But if the individual is not required to lodge one, then you have got nothing, as far as I can tell, but correct me if I am wrong. I am kind of asking you to venture an opinion to a degree, because we are not sure yet.

Mr BRODERICK — No, no, that is a fair question. It is about compliance really. Again we can take that on notice and get back to you if that is okay.

Mr BOURMAN — That would be great. Thank you.

Ms DUNN — My question is in a similar vein, because I thought earlier in your evidence you might have said you tried to align the data that you are collecting with the BAS statements. I just wondered, firstly, whether there is actually disclosure of how many fares form part of a BAS return or whether it is only about income and expenses. I will hold it at that, and I will ask a second follow-up. So do BAS statements actually include how many trips are in there?

Mr BRODERICK — No, the BAS statement would not include the trips; the information that is required by the Taxi Services Commission would. I hope that I did not say anything incorrect, but what I was saying — —

Ms DUNN — I thought I had better check.

Mr BRODERICK — What I was intending to say was the information that is provided by operators at the moment will be no more overall than what they currently provide, so some of that would be into BAS and some of that would be in reports to the TSC.

Ms DUNN — I know you have taken on notice Mr Bourman's question, but to add to that, of course there is a threshold for registering for GST requirements and lodgement of BAS statements, and I would assume that if you are just a small operator and you do not meet that threshold, you are certainly still liable for the levy even though you are not captured by the GST requirements.

Mr BRODERICK — You are still liable for the levy, exactly.

Mr BOURMAN — But then that does raise the question: where are you going to get the data from to know that they are actually liable? The way I see it, it circles back. If they do not tell you they are taking a ride and they are under all the thresholds, they are going to be almost invisible to the SRO is the way I see it.

Mr BRODERICK — The way the system has worked is individual owners are supposed to register. So if they do not register and you do not know about them through their registration, what we would be doing is requesting information from the service provider, which might be a rideshare company, and we would be requesting through the Taxation Administration Act access to their records.

Mr BOURMAN — You would have the rideshare provider's records of this number of people and you would try to match them up to how many people.

Mr BRODERICK — Absolutely, yes. That is right.

Mr LEANE — There is also an app too.

Mr BOURMAN — Like a tax app?

Mr LEANE — No, like a rideshare app — for the record.

The CHAIR — Thank you, gentlemen. One last question from me: has there been a budget allocation to the State Revenue Office for the implementation of this new program?

Mr BRODERICK — Not yet, no.

The CHAIR — So you are running at a loss at the moment.

Mr BRODERICK — As I mentioned earlier, we have in fact appointed a project manager, who is actually here, and her salary is being paid out of our organisation at the moment, but we have not actually got any formal allocation of funding yet.

The CHAIR — There are a few lines I could go with there, but I might just leave it alone. Thank you so much for coming in. We do appreciate it very much. I remind you that you will receive a copy of the transcript within the next couple of weeks. Please check it for any minor mistakes — not that I am suggesting that would happen, but if that were by some circumstance to happen, then you could change that but certainly no substantive matter in that. Transcripts will ultimately be made public and be on the committee's website as well. Gentlemen, thank you so much for being with us tonight.

Committee adjourned.