



## Issue #20 March-April 2018

### News From Revenue NSW

This month we talk about the surcharge for Land Tax and Duty, Payroll Tax thresholds, the annual adjustment to the NSW Health Insurance Levy, and the Work and Development Order (WDO) Annual Report.

We also look at the NSW Government's Youth Engagement Strategy and NSW Stolen Generations Reparations Scheme and Funeral Assistance Fund.

For feedback and ideas for future issues, please [email us](#).

### **Surcharge Land Tax and Duty - Residential Premises that are not Dwellings**

From 21 June 2016, surcharge land tax and duty applies to residential land. [Revenue Ruling G011](#) explains where surcharge will not apply to a residential premise that is not considered to have a residence.

If approved by the Chief Commissioner the following are considered not to be a dwelling (and not subject to surcharge): Hotels, Motels, Inns, Hostels, Boarding Houses, Student accommodation, Aged care and other care facilities, Bed and breakfast accommodation, Caravan and home parks, serviced apartments, cottages and villas.

### **Payroll Tax**

Did you know ... If you claim the tax free threshold and are grouped with another business, you must include their wages in your annual return. Wages paid by other group members in any Australian State or Territory are part of the group's total Australian wages. These determine the group's NSW threshold entitlement. For more information on what is a liable wage in each State/Territory, refer to that State/Territory's website.

You can find out more from the [Revenue NSW website](#) or get in touch by contacting us on 1300 139 815.

To work out your threshold entitlement for the current financial year, please refer to

the below sample calculation. Please note that the [online monthly calculator](#) and annual reconciliation will calculate your threshold entitlement for you.

**Group employer claiming the threshold and lodging as a Designated Group Employer (DGE)**

Employment dates: 1 July 2107 – 30 June 2018

DGE’s NSW Wages = \$500,000

DGE’s Interstate Wages = \$1,400,000

Other Group Member’s Interstate Wages = \$100,000

Total Group Australian Wages = \$2,000,000

**Step 1: Calculate Threshold Entitlement for DGE**

$$\left\{ \frac{\text{Group's NSW wages}}{\text{Group's Total Australian Wages}} \right\} \times \text{Annual Threshold}$$

= Threshold entitlement

$$\left\{ \frac{\$500,000}{\$2,000,000} \right\} \times \$750,000$$

(\$500,000 + \$1,400,000 + \$100,000)

= \$187,500

## Step 2: Calculate Tax payable for DGE

$$\left\{ \text{Group's NSW wages - Threshold entitlement} \right\} \times \text{Tax Rate}$$

= Tax Payable

$$\left\{ \$500,000 - \$187,500 \right\} \times 5.45\%$$

= \$17,031.25

### Annual Adjustment of the NSW Health Insurance Levy

The health Insurance levy rate will increase on 1 April 2018. The levy was introduced in 1982 to fund the NSW Ambulance Service. Businesses that sell hospital insurance policies pay a compulsory monthly levy based on the number of single people and families who take out hospital insurance.

The levy is adjusted annually in line with movements in the consumer price index and average weekly earnings, using data published by the Australian Bureau of Statistics (ABS).

Individuals and families who have private hospital insurance do not have to pay emergency ambulance transport fees charged by the NSW Ambulance Service. The new rate, effective from 1 April 2018, will be \$1.53 per week for a single person and \$3.06 for a family.

### WDO Annual Report

A Work and Development Order (WDO) is an order that allows people who are experiencing significant hardship to reduce fines debts through voluntary participation in unpaid work, courses, treatment, and programs.

The first [WDO Annual Report](#) is now published for the 2016/17 Financial Year. It provides an overview of the WDO scheme for interested parties.

Key highlights from the 2016/17 annual report include:

- 23,122 WDOs approved (up 29 per cent on previous year)
- \$27.6m in fines resolved
- 485 new WDO sponsors approved (representing a 28 per cent sponsor growth over 12 months)

## **Youth Engagement Strategy**

Revenue NSW manages fines debt for our younger customers at a lower rate compared to adult customers. Therefore, the Youth Engagement Strategy was developed in 2015 to enhance youth engagement towards resolving outstanding debts.

The strategy was reviewed, revamped and relaunched on 1 November 2017 and targeted at customers 18 years and under, with a strong focus on early intervention towards a debt-free lifestyle. Revenue NSW performed proactive case management to assist young customers in understanding the options available to manage their outstanding debts.

For more information, contact 1300 650 394 Monday to Friday from 9am to 5pm.

## **NSW Stolen Generations Reparations Scheme and Funeral Assistance Fund**

NSW Stolen Generations Reparations Scheme and Funeral Assistance Fund

In July 2017 the NSW Government started making compensation payments of \$75,000 for the act of removal or committal of Aboriginal children known as the Stolen Generation. The scheme is publicly advertised and we invite anyone who was removed or committed up until 1969 to apply to the scheme. The scheme will run for five years to ensure survivors have sufficient time to make a claim.

The NSW Government will also establish an additional Stolen Generations Funeral Assistance Fund.

This Fund will provide payments of \$7,000 to contribute to the costs of funerals for members of the Stolen Generation. [More information can be found here.](#)

Eligible people can protect their compensation from debt recovery by contacting Aboriginal Affairs on 1800 019 998, or Revenue NSW on 1300 135 627.

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