



Compliance Program 2008–09

We collect revenue to help fund the future for the people of NSW. A key element of this is our compliance program which ensures the integrity of the tax and benefit systems we administer. Our compliance approach aims to:

- assist clients to comply
- encourage and enforce compliance
- improve debt management.

Assisting clients to comply

We publish a range of information and tools to ensure clients understand their obligations and the benefits they are entitled to. [Tax and duties calculators](#) and [online services](#) for easy lodgement and payment are also available.

Tax update [seminars](#) are held in metropolitan and regional areas to inform businesses, solicitors, accountants and professional advisors of changes and issues relating to the legislation we administer. [Online learning](#) tutorials for payroll tax assist clients with their understanding and knowledge of the tax. You can also register to receive [email alerts](#) on changes to NSW tax and duties legislation.

Encouraging and enforcing compliance

Our compliance program primarily concentrates on areas identified as having a high risk of non-compliance, with audit and investigation projects focusing on:

- Identifying and contacting individuals or businesses not currently registered within the tax system, but who are most likely to have a liability.
- Identifying clients who may have understated their liabilities through a program of desk and field audits.
- Identifying clients who do not satisfy the eligibility requirements of the First Home Owner Grant and First Home Plus schemes.
- Prosecuting serious breaches of the legislation.
- Ensuring clients with an obligation to lodge returns do so in a timely manner.
- Enabling early identification and follow up of clients with overdue payments.



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Cases for audit and investigation are selected from a number of different sources. These include:

- Voluntary and anonymous disclosures reported to the [Compliance Information Line](#).
- Validation and exception reporting to identify anomalies with information presented by clients.
- Referrals from other agencies.
- Verifying our records against third party information to identify potential cases of non-compliance.

Investigation process

We aim to complete our audits and investigations with the highest possible standards of integrity and least inconvenience to our clients. Our '[Investigations' factsheet](#) provides clients with information about the audit and investigation process, their rights and obligations and avenues of appeal if they are dissatisfied with an assessment of liability.

Specific compliance activities

The information below identifies the compliance activities used to address each of the taxes, duties and grants that we administer.

Payroll tax

Payroll tax compliance activities focus on identifying and contacting liable employers who have failed to register with us and auditing registered clients who appear to have understated their wages. Initiatives to ensure payroll tax compliance in 2008-09 are:

- Reduce red tape for employers operating interstate by progressing payroll tax harmonisation.
- Continue to audit unregistered businesses where information available to us suggests a business is liable for payroll tax.
- Investigate businesses where information available to us indicates taxable wages have been understated.
- Identify employers who are claiming the benefit of multiple thresholds by failing to declare group structures for payroll tax.
- Review all refund requests and investigate high value requests or where anomalies are identified with information provided by third parties.
- Target non-complying employers in the construction industry.
- Follow up employers who fail to lodge their monthly and/or annual returns on time.

Read more information about [payroll tax](#).

Duties

Our duties compliance program focuses on both individual transactions and on Electronic Duties Return (EDR) clients who assess documents. Initiatives to ensure duties compliance in 2008-09 are:

- Identify and contact clients who have not presented liable land rich transactions to OSR for assessment
- Investigate EDR clients to ensure the accuracy of assessments and that their systems and procedures adhere to OSR's directions
- Identify transfers of land where duty has not been paid
- Review high value property transfers

- Identify and investigate transactions where the correct value has not been used to calculate duty payable
- Review sale of business transactions where third party information indicates that the correct duty has not been paid
- Continue to review corporate reconstruction exemptions

Read more information about [duties](#).

Read more information about [electronic duties return](#). (EDR)

Land tax

Our land tax compliance program will focus on the incorrect application of exemptions and thresholds, and the identification of land owners who have failed to register for land tax. Initiatives to ensure land tax compliance in 2008-09 are:

- Identify and contact liable landowners who have not registered with OSR for land tax
- Contact clients who are likely to be incorrectly claiming a 'Principal Place of Residence' or 'Primary Production Land' exemption
- Investigate land owners claiming a 'Principal Place of Residence' exemption in NSW and another jurisdiction
- Identify and contact land owners who receive the benefit of multiple thresholds because their properties have not been aggregated on one assessment
- Contact lessees of Crown land who may not be aware of their land tax liability.

Read more information about [land tax](#).

First home benefits

Compliance activities ensure first home buyers benefiting from the First Home Owner Grant and First Home Plus schemes satisfy the eligibility criteria. All first home buyers who receive benefits under the First Home Owner Grant and First Home Plus schemes must verify by way of a statutory declaration that they have met the eligibility criteria, including the residency requirement. Applicants who are not eligible for the schemes are required to repay the benefits back to OSR, which may include penalty and/or interest.

Initiatives to ensure first home benefits compliance in 2008-09 are:

- Identify and investigate applicants who fail to meet the residency requirements
- Verify information provided by clients against third party data for spouses, prior ownership, understated duty amounts for First Home Plus and inconsistencies between property transfers and First Home Owner Grant applications
- Continue to audit financial institutions who process applications on OSR's behalf to ensure that appropriate system and processing controls are in place
- Investigate anonymous disclosures reported to the [Compliance Information line](#).

Read more information about [first home benefits](#).



MORE INFORMATION



www.osr.nsw.gov.au

Compliance Information Line

Phone: 1800 806 592*
Fax: (02) 9689 6323
Email: compliance@osr.nsw.gov.au

Payroll tax

Phone: 1300 139 815*
Fax: (02) 9689 8200
Email: payrolltax@osr.nsw.gov.au

Duties (Conveyances, mortgages, contracts)

Phone: 1300 139 814*
Fax: (02) 9689 8280
Email: duties@osr.nsw.gov.au

Land tax

Phone: 1300 139 816*
Fax: 1300 363 806
Email: landtax@osr.nsw.gov.au

First Home Owner Grant Scheme (FHOGS)

Phone: 1300 130 624*
Fax: (02) 9689 6345
Email: first.home.benefits@osr.nsw.gov.au

Parking space levy

Phone: 1300 139 817*
Fax: (02) 9689 8200
Email: returns@osr.nsw.gov.au

*Interstate clients please call (02) 9689 6200

Help in community languages is available.

Parking space levy

Initiatives to ensure parking space levy compliance in 2008-09 are:

- Identify new owners in St Leonards and Chatswood who may not be aware of the existence of the levy or their obligation to pay the levy
- Investigate registered clients where it appears that the client is overstating exemptions, including clients who continually claim large exemptions
- Undertake investigations of commercial parking operators to validate their methods for determining concessions.

Read more information about [parking space levy](#).

Improve debt management

An independent review of OSR's debt management practices has recently been completed. A key focus of our compliance program for 2008-09 will be to implement agreed outcomes from the review to improve debt management and the collection of outstanding taxes and duties.

Compliance Information Line

OSR encourages clients to make voluntary disclosures if they find they have understated their liability. When a voluntary disclosure is made a reduced level of interest is imposed compared to those cases where the understatement is identified as a result of OSR action.

We also investigate anonymous disclosures from members of the public. Confidentiality is assured and we welcome any information about non-compliance relating to the taxes, duties and grants we administer. Anonymous disclosures can be reported to the [Compliance Information Line](#).

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