

## Questions taken on notice and further information agreed to be supplied at the hearings

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| Portfolio:            | Treasurer    |
| Witness:              | Mr MARTINE   |
| Committee member:     | Mr D O'BRIEN |
| Page/s of transcript: | 9            |

Relevant text:

Mr MARTINE: It is not my role to make a comment or form a view about whether advertising meets those requirements because, as I indicated, we do not have responsibility for those particular programs. So perhaps if I quote from the very last part of my letter back to the public service commission with respect to section 97C, and had I acted not in accordance with that section, my simple answer to end my letter was that I did not actually act at all, because I had no involvement and my department did not have any involvement in the procurement or funding of those advertising campaigns. So I am not really in a position to then comment on whether those campaigns met or did not meet. They are really questions for other secretaries who were involved in the process.

**Mr D O'BRIEN: Does DTF have a role in setting standards though for such procurement?**

Mr MARTINE: Because we are not involved in the advertising, I would need to take on notice the extent to which there is anything relevant in my department.

Answer:

The Department of Treasury and Finance was not involved in the content, delivery or funding of the advertising campaigns, or responsible for their approval.

The Department of Treasury and Finance provides a secretariat to the Victorian Government Purchasing Board which is responsible for the Supply Policies which govern procurement by Victorian Government departments.

The Department of Treasury and Finance also manages the Master Agency Media Services State Purchase Contract which requires DTF to understand the advertising industry and manage the head contract with the incumbent supplier. In undertaking this role, the Department of Treasury and Finance is not involved in specific engagements entered into by other departments under the State Purchase Contract.

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| Portfolio:          | Treasurer                           |
| Witness:            | Mr MARTINE, Mr PALLAS, Mr BRODERICK |
| Committee member:   | Ms VALLENCE                         |
| Page of transcript: | 28,29                               |

Relevant text:

**Ms VALLENCE: The question, as I said, is related to land tax and budget paper 5, page 161, and the growth in revenue across the forwards that that page shows. In particular to land tax exemption on agricultural land, has there been any change to the collection of the tax on agricultural vacant land?**

Mr MARTINE: In terms of what is included in this budget? Because there have been no changes in this budget. The tax initiatives outlined in this budget are outlined in budget paper 3.

Ms VALLENCE: The assessment. Referring to the assessment.

Mr MARTINE: In terms of the current, I am not aware of any change in terms of how the current law is being implemented.

**Mr RIORDAN: So there are no changes to the interpretation of 'vacant land'?**

Mr MARTINE: I am happy to take that on notice.

Answer:

There has been no change to the law regarding the land tax exemption on primary production land and no change in the interpretation of the law.

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Relevant text:

**Ms VALLENCE:** in terms of the definition as well, the definition of what is 'exempt agricultural land'. If you are needing to take this on notice, perhaps, particularly about the definition, does it exclude associated activities such as sheds, cellar doors, car parking? As I mentioned, it is a technical question, so perhaps if we have the benefit of having the CEO of the State Revenue Office here, perhaps he may be in a position to answer for us today.

Mr BRODERICK: I am not aware of any change in the definitions of vacant land for primary production purposes.

**Ms VALLENCE:** So no change? Not aware of any definition?

Mr BRODERICK: Not aware of any definitional changes, but as has previously been said, I can take that on notice and we can get back to you if there has been something I have missed, but I am pretty certain there is nothing.

**Ms VALLENCE:** Okay, so we will take it as no change, but you will come back on notice. And so are there changes in the collection on tax on agricultural vacant land?

Mr BRODERICK: Not that I am aware of, no.

Answer:

An exemption from land tax may be available if land, or part of land, is used for primary production. There has been no change to the exemption or the definition of 'primary production land'.

The current interpretation and application of the law relating to the exemption for primary production land has been in place since at least the 1980s.

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## Relevant text:

Ms VALLENCE: Thank you. I have asked that. So who is it that grants exemptions, if there was to be one?

Mr BRODERICK: What type of exemption are you talking about?

Mr BRODERICK: An exemption for land tax purposes for primary production land, you are talking about?

Ms VALLENCE: Land tax on agricultural land.

Mr BRODERICK: Then the question is: who would be making the exemption?

Ms VALLENCE: Yes.

Mr BRODERICK: Who would approve the exemption?

**Ms VALLENCE: Yes, who does that sit with?**

Mr BRODERICK: Usually the exemptions are provided by the law, and they are assessed in the office, where there is an exemption or not. So if you are talking about an exemption on primary production land, the land in question—if there was a particular question about whether the land was primary production land—usually the process is the person or company applies for a private ruling, and the person who is delegated officer in that office would make that decision.

Ms VALLENCE: Thank you. I look forward to receiving clarification on notice. We will move on and—

## Answer:

The State Revenue Office (SRO) is responsible for administering state taxes for the Victorian Government. The Taxation Administration Act 1997 provides the framework for administering the various state taxes, including for assessing, investigating, reviewing and enforcing Victorian taxes as well as providing the powers, rights and obligations of both taxpayers and the Commissioner of State Revenue. Delegated officers of the SRO assess tax liabilities and exemptions based on information available to the SRO.

Revenue Ruling GEN014 on Assessments – Period of Retrospectivity, which was issued in December 2007, explains the Commissioner’s position on assessing tax liabilities retrospectively. There has been no change to this position or Ruling.

Where tax liabilities have not been assessed correctly, taxation administration laws allow the Commissioner to (re-)assess any tax liability for past periods regardless of how long ago these periods may be. This is a well-established taxation administration principle that applies across most tax jurisdictions.

In most cases, the Commissioner will limit the period of retrospectivity to five years to maintain general equivalence with the period for refunds (which is five years) and to provide taxpayers with some certainty on their tax liability.

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| Committee member:   | Ms VALLENCE |
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Relevant text:

**Ms VALLENCE: Moving on, Treasurer, the 2019–20 federal budget included \$360 million to complete the duplication of the Western Highway to Stawell. This has not been incorporated into the state budget. Will the government accept this funding and complete the duplication of the Western Highway, and if so, when will it be completed?**

Mr PALLAS: Can I just ask: what section of the Western Highway are we talking about?

Ms VALLENCE: The duplication at Stawell.

Mr RIORDAN: To Stawell.

Mr PALLAS: As you would appreciate there, the budget paper incorporates—budget paper 4 at page 82—a section from Ballarat to Stawell, and that is contained on page 82. Now, I assume that we are talking a second and subsequent section.

Ms VALLENCE: I will just clarify: it is Ararat to Stawell.

Mr PALLAS: We will take it on notice and give you advice back on it.

Answer:

Funding was provided to develop a business case for and undertake pre-procurement investigations for extending the Western Highway Duplication from Ararat to Stawell (Western Highway Stage 3). For the 2019-20 Budget, the business case for Stage 3 was not proposed for budget consideration.

The State and Federal Governments have partnered to deliver the Western Highway Duplication Stage 2B – Beaufort to Ararat and the planning and pre-construction activities for bypasses at Beaufort and Ararat.

Early works relating to Stage 3 have commenced that include a comprehensive tree survey, environmental field surveys and investigations into potential environmental and community opportunities. Major Road Projects Victoria will continue to update the business case for Stage 3 and will need to incorporate information from these projects as well as the latest cost and risk information.

Only then will the business case be ready for Government consideration.