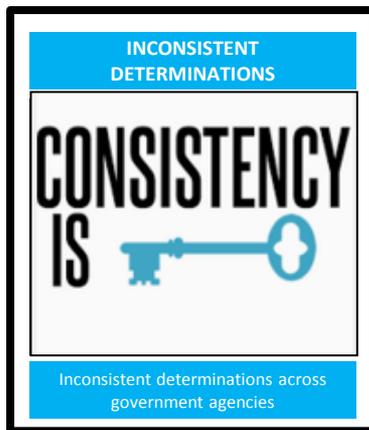


Summary : NSW Hire Car Association – Payroll Tax Issue, 10 May 2016

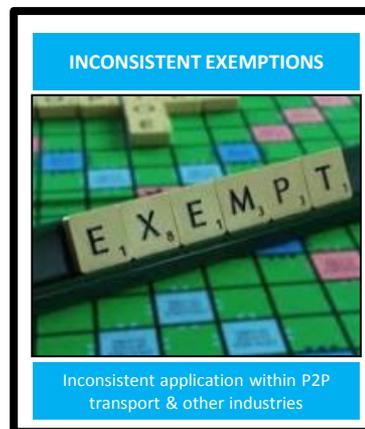
The NSW Hire Car Association (HCA) **supports reform** in the transport industry which **embraces emerging technology** and improves **consumer choice**.

Following the announced point-to-point reforms in December 2015 we have been working constructively with key stakeholders across government and the wider industry to understand the implications and opportunities for hire car operators across NSW.

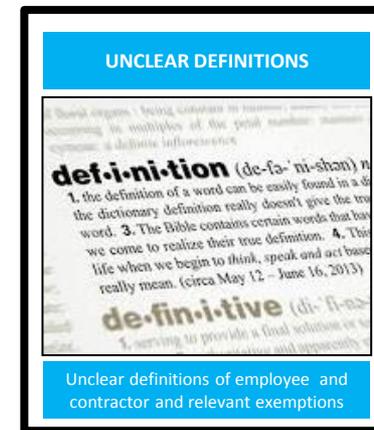
Under these extraordinary circumstances a number of hire car operators have been pursued by the Office of State Revenue for payroll tax relating to drivers even though drivers in our industry are engaged as subcontractors and fulfil their responsibilities under arrangements widely accepted as being “contractor” status. The industry is genuinely unable to understand the perspective of the Office of State Revenue or reconcile why we are being singled out and excluded from the exemptions that apply to other similar operators and industries such as the taxi operators and the courier industry. We have three main concerns around the payroll tax issue:



Both the ATO and Fair Work have determined there is no employee relationship between the drivers and the operators in the HC industry and that drivers are in fact independent contractors.



There appears to be differential treatment of the hire car industry vs other operators within the P2P industry and beyond such as taxi operators and couriers both of whom appear exempt from payroll tax for drivers even though our arrangements mimic and mirror theirs with their drivers.



Their needs to be consistent clear definitions of employee and contractor and the relevant exemptions across all government agencies, which are then applied consistently within and across all industries.

The NSW HCA urgently requests the assistance of the Hon. Dominic Perrottet, NSW Minister for Finance, Services and Property, to assist with securing a consistent, documented view of payroll tax. We believe this could be achieved through the following approach:

1. Clear definition of employee and contractor and relevant exemptions as they relate to the P2P transport industry
2. Documentation of outcomes consistently across government bodies in NSW, including but not limited to OSR, ATO and Fair Work
3. Suspension of all Payroll Tax Cases currently being pursued by the OSR until the above determinations are made