

Legislative Council Economy and Infrastructure Committee

Inquiry into the Commercial Passenger Vehicle Industry Act 2017 Reforms

4 October 2019

Further Questions for the State Revenue Office:

- 1. What is the current percentage of compliance for payment of the levy by taxi, hire car and rideshare drivers? Estimates seen by the Committee state that between 10-20% of 'flagged down' trips are not reported. Is this true?**

A: The SRO has not been provided with the estimates referred to by the Committee or the data on which they are based. Data in relation to trips, both booked and unbooked, is obtained by the SRO from the industry regulator, Commercial Passenger Vehicles Victoria (CPVV). Based on this data, the SRO is satisfied that the overall industry wide level of compliance for payment of the levy is high. As advised to the Committee during oral evidence provided by the Commissioner, the SRO is now implementing the latest stage in its compliance program for the levy which will involve targeted investigations of suspected non-compliant industry participants, including drivers who are not reporting unbooked trips.

- 2. What is the current estimate of the number of overall trips taken in the CPV industry across all platforms – taxis, hire cars and rideshare?**
 - a. What is the breakdown of trips across each platform?**
 - b. What are the trip estimates based on now that BSPs are no longer required to report trip volumes?**
 - c. What is the anticipated annual growth in trips?**

A: The SRO does not estimate the number of trips in the industry. The SRO is responsible for the collection of the levy in accordance with Part 11 of the *Commercial Passenger Vehicle Industry Act 2017* and the *Taxation Administration Act 1997* (TAA). In performing this work, the SRO obtains data from various sources to assist with ensuring industry participants' compliance with the levy. Data on the number of trips taken in the CPV industry is obtained by the SRO, in the first instance, from CPVV.

The SRO understands that Booking Service Providers (BSPs) must and do provide trip data to CPVV and that CPVV has the authority to request BSPs that may not currently be submitting this information to provide it. In any event, under the TAA, every person liable to pay the levy must keep records necessary to verify compliance with their levy obligations; this would necessarily include trip data. The Commissioner of State Revenue can compel any party to provide this information for the purpose of reconciling the levy paid at any time.

- 3. What was the gross levy collected in 2018/19?**
 - a. What is the net levy collected for the same period?**
 - b. What is the cost of levy collection in cents per dollar?**

A: As at 16 September 2019, SRO records show that \$62.75 million was collected in respect of the levy in 2018/19.

- a. As advised during oral evidence to the Committee, the cost to build the IT system to facilitate collection of the levy was approximately \$1.15 million and the cost to date of administration of the levy is approximately \$600,000. Accordingly, the amount of levy collected net of these SRO costs is approximately \$61 million.
- b. On the basis of the above figures, the cost of levy collection in 'cents per dollar collected' terms for the first year of operation of the levy is approximately 2.8 cents in the dollar. This figure includes the above initial IT set-up cost which implies that the ongoing cost of levy collection in 'cents per dollar collected' terms is likely to be even lower, but this will depend on the ongoing yearly costs of administering the scheme.

4. How many audits have been conducted since the levy was introduced?

- a. **Has there been any disciplinary action taken to date – fines, warnings etc?**
- b. **Are all the dominant BSPs (such as 13CABS and Silver Top) levy compliant?**

A: As outlined in the oral evidence to the Committee, Stage 3 of the SRO compliance program is currently being implemented. This stage will include targeted investigations and audits.

- a. Default assessments have been issued to industry participants who have failed to lodge and/or pay their levy on time. These default assessments include penalty and interest charged at the applicable rates set out in the TAA.
- b. The SRO does not disclose specific information in respect of individual tax or levy payers. As previously noted, the SRO is satisfied that the overall industry wide level of compliance with the levy is high.

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