



Tasmanian
Audit Office

COVID-19: Support measures – Payroll Tax Waiver

Report of the Auditor-General
No.12 of 2020-21





Review objective

The objective of the review was to express a limited assurance conclusion on the Department of Treasury and Finance's implementation of the payroll tax wavier.



Scope

- The design of the waiver
- The process for assessing applications against the eligibility criteria and approving payroll tax refunds and waivers
- Communication with applicants
- Controls around payments to successful applicants.



Scope exclusions

- Waivers applied to payroll tax waiver for JobKeeper Payments
- Regular payroll tax rebates and concessions, such as the rebate for employers who employ eligible apprentices, trainees and youth employees and businesses relocated to Tasmania.



Review criteria

1. Were the risks associated with the rapid implementation of the waiver managed effectively?
2. Did controls ensure effective implementation of the waiver?



Conclusion

Nothing has come to the attention of the Auditor-General that causes him to believe that, in all material respects:

- a) administrative arrangements were not commensurate with the risk associated with rapid implementation of a Government initiative
- b) controls were not efficient and effective during the implementation of the payroll tax support measure.



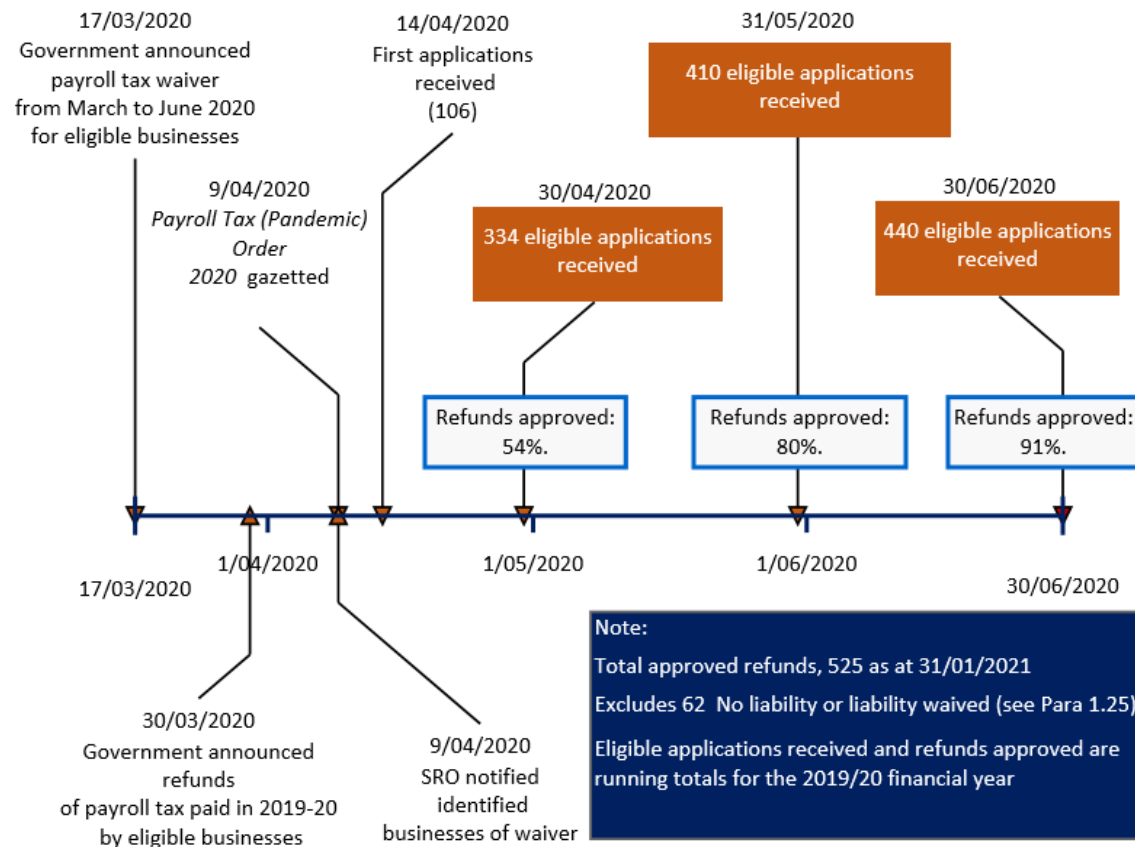
Findings



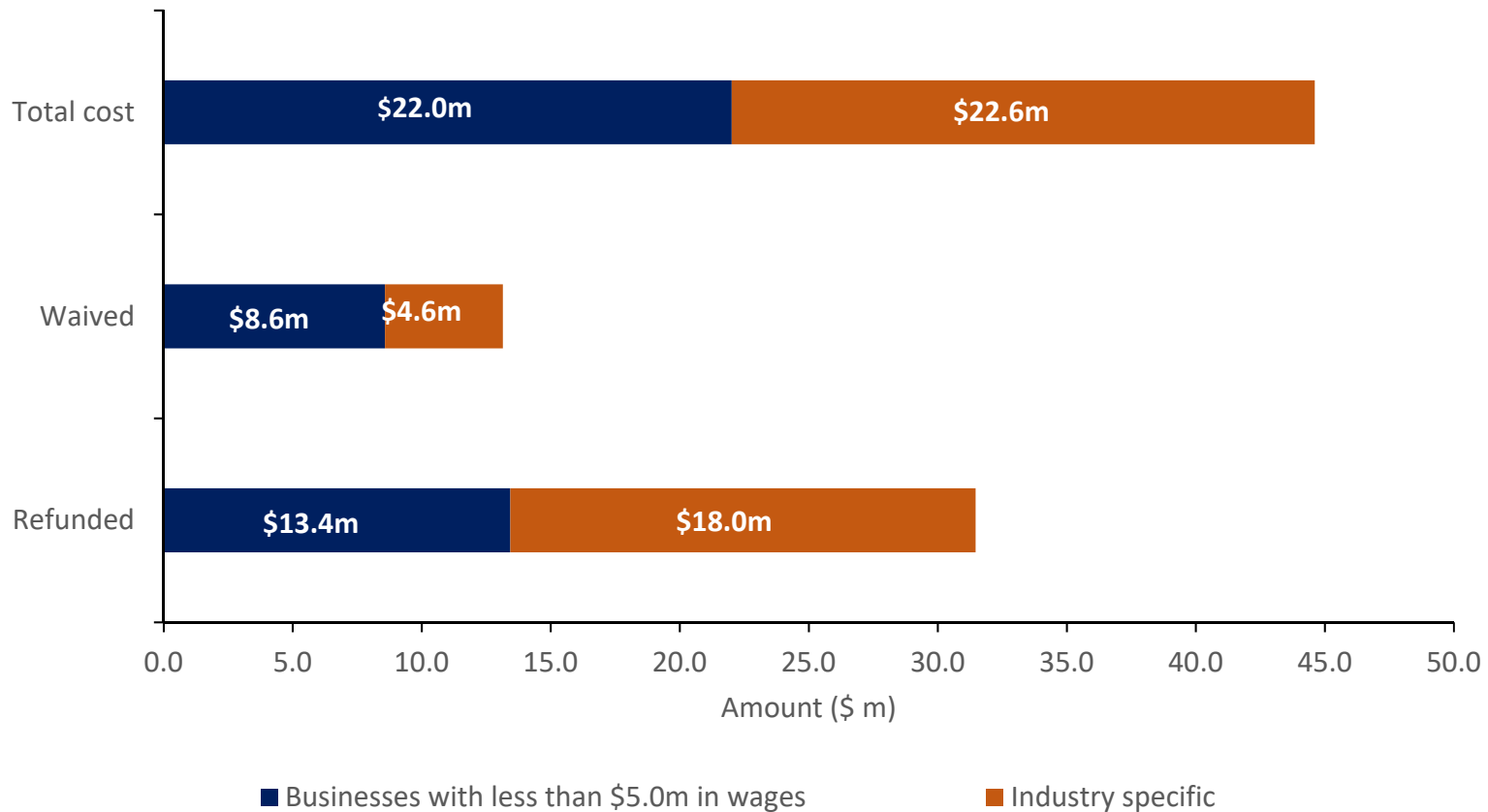
Were the risks associated with the rapid implementation of the waiver managed effectively?

- Treasury established administrative arrangements quickly and promptly contacted businesses that may have been eligible for the support measure
- The administrative arrangements were efficient while also minimising the risk of fraud
- There was sufficient capacity to process applications consistently and as quickly as possible

Timeline of key events relating to the waiver in the 2019-20 financial year



Waiver and refund components of total cost as at 31 Jan 2021



Source: TAO

Did controls ensure effective implementation of the waiver?

- The eligibility criteria were consistently applied.
- Decisions were generally made in a manner consistent with relevant legislation.
- Detailed and timely communication with applicants ensured decisions were transparent.
- Future reporting by businesses has been used to ensure the refund amount was accurate.
- The waiver included no right to objection in its design.
- There were no recommendations arising from our review.

Responses



Responses

- Responses were received from the:
 - Premier and Treasurer
 - Secretary of Treasury.
- Both were supportive of our findings.