

The bill will also reduce red tape for taxpayers and conveyancers, as it removes the requirement to lodge cancelled agreements, unless a sub-sale of the property has occurred. This removes the technical requirement to lodge a cancelled agreement, and for the Commissioner of Territory Revenue to remit the duty payable under that agreement.

The final change in the Revenue Legislation Amendment Bill is a technical amendment to the *Taxation Administration Act* clarifying that a statutory charge can be placed on land subject to a pre-existing 1 January 2008 landholder transaction. This measure is consistent with the intention of our act and the manner in which the legislation operated prior to 1 January 2008.

I now turn to the Penalty Units Bill. The *Penalty Units Act* allows for monetary penalties for offences to be expressed in penalty units. Expressing penalties in penalty units allows for across-the-board adjustment of financial penalties. This ensures that there is a simple way of maintaining the real value of penalties. Penalties cease to have a significant deterrent or punishment effect if inflation is not accounted for. The act does not currently set out a process for changing the value of a penalty unit so that it maintains real value. This means that the value can only be changed by new legislation that changes the value.

In 2002, legislation changed the value of a penalty unit from \$100, as set out in 1999, to \$110. The consumer price index (the CPI) for Darwin, was used as the basis for determining the change in the value of the money and, therefore, the applicable value of a penalty unit. The value of a penalty unit has not been reviewed since then.

The first purpose of this bill is to increase the value of one penalty unit from \$110 to \$130. This figure is based on the CPI for 2002 and 2008. The Commonwealth and other Australian states and territories, except for South Australia, use penalty units. These are periodically adjusted. The value of one penalty unit varies between states and territories from \$50 to \$120.

The Penalty Units Bill additionally allows for a review of the value of a penalty unit in accordance with a CPI calculation to be applied at the start of each financial year. Tasmania and Victoria also provide a legislative mechanism for automatic annual review. The review mechanism will take effect from 1 July 2010, and will only result in changes to the value of a penalty unit if the value yielded by the CPI calculation was equal to, or greater than, a \$1 increase to the penalty unit value since its previous review.

The Administrator may then prescribe that amount as the new penalty unit value by regulation, to take effect from a time after the notification of the regulation in the *Gazette*. It would be expected that the regulation would identify a date sufficiently in the future to ensure that adequate notice is given to law enforcement agencies responsible for penalties. The bill provides that, where the value of a penalty unit is increased by regulation, the increase does not apply to penalties for offences committed prior to the regulation taking effect.

Based on advice from Parliamentary Counsel, the Penalty Units Bill provides for the repeal of the current *Penalties Act* and replacement by a new act.

Madam Speaker, I commend the bills to the honourable members, and table the explanatory statements to accompany the bills.

Debate adjourned.

PAYROLL TAX BILL (Serial 42)

Bill presented and read a first time.

Ms LAWRIE (Treasurer): Madam Speaker, I move that the bill be now read a second time.

As part of a national project to reduce payroll tax compliance costs for businesses, the government introduced amendments to the payroll tax legislation last year that harmonised the Territory's legislation with the other states in eight key areas from the 1 July 2008. Consistent with the government's announcement at the time, this bill further harmonises the Territory's payroll tax laws by putting in place a new Payroll Tax Act that is almost identical to the payroll tax legislation in New South Wales, Victoria and Tasmania, and is consistent with payroll tax legislation in Queensland. South Australia has also announced that it will move to fully harmonise its payroll tax legislation from the 1 July 2009.

The new Payroll Tax Act streamlines administration for all businesses that operate in the Territory, and provides further red tape reductions for businesses that operate in more than one jurisdiction. This is particularly important for the Territory, as around 83% of its registered payroll tax employers also employ interstate. In addition to compliance costs savings, the new Payroll Tax Act is expected to save Territory businesses a further \$1.3m in payroll tax in 2009-10. Taken with the harmonisation measures introduced last year, this is a total tax reduction of \$3m.