

2014

EXPOSURE DRAFT

TREASURY LEGISLATION AMENDMENT (REPEAL DAY) BILL 2014

EXPLANATORY MATERIAL

Glossary

The following abbreviations and acronyms are used throughout this explanatory memorandum.

<i>Abbreviation</i>	<i>Definition</i>
ABN	Australian business number
ATO	Australian Taxation Office
Commissioner	Commissioner of Taxation
FSSA	<i>Financial Sector (Shareholdings) Act 1998</i>
GST	goods and services tax
ITAA 1936	<i>Income Tax Assessment Act 1936</i>
ITAA 1997	<i>Income Tax Assessment Act 1997</i>
SISA	<i>Superannuation Industry (Supervision) Act 1993</i>
TAA	<i>Taxation Administration Act 1953</i>
TLIP	Tax Law Improvement Project

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Chapter 1

Payslip reporting

Outline of chapter

1.1 Schedule 1 to this Exposure Draft amends the *Superannuation Industry (Supervision) Act 1993* (SISA) to repeal the payslip reporting provisions.

Context of amendments

1.2 The payslip reporting provisions in the SISA require employers to include in employee payslips information prescribed by the regulations.

1.3 It was intended that regulations be made so that employers had to report on payslips the amount of superannuation contributions and the date on which the employer expects to pay them. This has not occurred.

1.4 There are existing requirements in the *Fair Work Act 2009* and the *Fair Work Regulations 2009* for employers to include in payslips the amount of superannuation contributions they are liable to make.

Summary of new law

1.5 The amendment repeals the payslip reporting provisions in the SISA.

Comparison of key features of new law and current law

<i>New law</i>	<i>Current law</i>
Employers are not required to ensure payslips include the information prescribed in the regulations.	Employers are required to ensure that payslips include the information prescribed in the regulations.

Detailed explanation of new law

1.6 The payslip reporting requirement in the SISA forms part of the *Securing Super* package, and was announced as an election commitment during the 2010 election campaign.

1.7 It was intended to provide protection for employees whose employers do not pay their superannuation.

1.8 Under the *Fair Work Act 2009* and the *Fair Work Regulations 2009*, employers were (and still are) required to report on payslips either superannuation entitlements that accrued during the pay period, or actual contributions made. Since 2012, directors can be held personally liable for the superannuation guarantee liabilities of a company. Accordingly, the Australian Taxation Office is able to pursue directors for unpaid and unreported superannuation guarantee liabilities of the company.

1.9 The payslip reporting requirement in the SISA requires employers to include in the payslip information prescribed by the *Superannuation Industry (Supervision) Regulations 1994* (Regulations). The explanatory memorandum to the originating Bill said that Regulations would require employers to report the amount of superannuation contributions, as well as the date on which the employer expects to pay them. However, these regulations were never made as payslip reporting has proved to be more complex and expensive to implement than originally expected.

1.10 If employers were required to report actual contributions, they would need to invest in major upgrades in their software and the benefit would likely be marginal as most employers pay their superannuation, non-compliant employers may not provide accurate information and employees may not take regular notice of what is reported on their payslips. In addition, 70 per cent of affected employees do not make a complaint to the ATO until after they have left the employer, possibly because they don't want to jeopardise their jobs (and payslip reporting is unlikely to change that).

1.11 This Bill repeals the payslip reporting requirement in the SISA to remove duplication. [*Schedule 1, items 1 to 6*]

1.12 This will reduce unnecessary duplication in the law.

Consequential amendments

1.13 None.

Application and transitional provisions

1.14 The amendments commence on the day the Bill in which the amendments are contained receives Royal Assent.

Chapter 2

Consolidation and repeal of tax provisions

Outline of chapter

- 2.1 Schedule 2 to this Exposure Draft simplifies the taxation laws by:
- consolidating duplicated taxation administration provisions contained in various taxation Acts into a single set of provisions in Schedule 1 to the *Taxation Administration Act 1953* (TAA 1953);
 - repealing spent or redundant taxation laws; and
 - moving longstanding regulations into the primary law.

Context of amendments

Background

2.2 Sunsetting provisions in legislation provide that the Act or legislative instruments generally cease to have effect after a specific date unless further legislative action is taken to extend the operation of that legislative instrument. The legislative action taken is usually to remake the instrument.

2.3 Most jurisdictions in Australia have automatic sunsetting regimes for legislative instruments. The Commonwealth legislative instrument sunsetting regime is set out in Part 6 of the *Legislative Instruments Act 2003*. This provides for instruments to sunset 10 years after their registration on the Federal Register of Legislative Instruments.

2.4 Generally Australian Government agencies must plan for sunsetting well in advance of an instrument's sunset date, as the process to review and implement any review recommendations for each instrument can be lengthy.

2.5 Sunsetting is an important mechanism for the Australian Government to implement policies to reduce red tape, deliver clearer laws, and align existing legislation with current government policy by requiring ongoing review of legislative instruments.

2.6 An initial review of instruments that are due to sunset is an essential part of the process. The review is to inform the rule-maker's decision about whether the instrument should be left to sunset, be remade with amendment, be remade without amendment or be rolled over by the Parliament.

2.7 While instruments that are clearly spent or redundant do not require a thorough review, where it is not immediately apparent that an instrument serves no further function, a more comprehensive review needs to be undertaken.

2.8 As part of Treasury's initial review of the *Income Tax Regulations 1936*, a number of provisions in the principal law and regulations were identified as duplicative, inoperative or spent. A number of provisions contained in the regulations were also identified as being more appropriately incorporated into the primary law.

Duplicated provisions

2.9 Most of Australia's taxation laws contain a number of associated taxation administration provisions which provide the machinery to support the collection and recovery of the various taxes.

2.10 Since the introduction of *A New Tax System* in 2000, successive governments have progressively standardised and consolidated taxation administration laws into the TAA 1953 with the intent of simplifying the administration of the taxation laws and thereby reducing taxpayers' compliance costs.

2.11 A number of taxation administration provisions remain duplicated in different areas of Australia's taxation laws, including those relating to the Commissioner's power to obtain information and rules about evidence in judicial proceedings.

Spent or redundant provisions

2.12 Some provisions in the taxation law are intended to apply for only limited periods. After that period expires the provisions are spent and are no longer operative.

2.13 Other provisions stop applying because of changes to external circumstances (such as improvements in technology), changes to the way the law is being administered or because other more modern provisions have replaced the need for the other provision. Such provisions are referred to as redundant provisions.

2.14 Spent and redundant provisions have no ongoing effect but remain on the statute book until Parliament acts to repeal them. Keeping spent provisions long after they have become inoperative makes using the legislation difficult, unnecessarily increasing compliance costs.

Moving the content of regulations into the primary law

2.15 At the time legislation is first enacted, the Parliament may make provision for regulations to be made providing additional details unknown at the time the legislation was passed or specifying circumstances or conditions that were expected to frequently change.

2.16 However, in some circumstances, after regulations are first made, there is no need to further amend those regulations or make different regulations.

2.17 It would generally assist users of the tax laws if regulations that are short, longstanding and have become static are moved to the primary law.

Summary of new law

2.18 Schedule 2 to this Exposure Draft simplifies the taxation laws by:

- consolidating duplicated taxation administration provisions contained in various taxation Acts into a single set of provisions in Schedule 1 to the TAA 1953;
- repealing spent or redundant taxation laws;
- moving longstanding regulations into the primary law.

2.19 Schedule 2 to this Exposure Draft repeals a number of taxation administration provisions from various taxation laws and consolidates those provisions into Schedule 1 to the TAA 1953 by broadening equivalent provisions already contained in Schedule 1 to that Act so that they cover those various taxation laws.

2.20 Schedule 2 to this Exposure Draft also repeals provisions from the *Income Tax Assessment Act 1936*, *Fringe Benefits Tax Assessment Act 1986* and *Petroleum Resource Rent Tax Assessment Act 1987* that have become spent or redundant.

2.21 Schedule 2 to this Exposure Draft also moves the content of certain short, longstanding and static regulations from the *Income Tax Regulations 1936* into the *Income Tax Assessment Act 1936*.

Detailed explanation of new law

Consolidation of taxation administration provisions

2.22 Schedule 2 amends the Schedule 1 to the TAA 1953 to broaden the application of the rules around the Commissioner's power to obtain information under Division 353 in Schedule 1 to cover all taxation laws, not just a number of specified tax regimes. [Schedule 2, items 11 to 17, sections 353-10 and 353-15 in Schedule 1 to the TAA 1953]

2.23 The equivalent provisions contained in the following Acts are repealed:

- *Fringe Benefits Tax Assessment Act 1986*;
- *Income Tax Assessment Act 1936*;
- *Income Tax Assessment Act 1997*;
- *Income Tax (Transitional Provisions) Act 1997*;
- *Petroleum Resource Rent Tax Assessment Act 1987*;
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997*;
- *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*;
- *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*;
- *Superannuation Guarantee (Administration) Act 1992*;
- *Superannuation (Unclaimed Money and Lost Members) Act 1999*; and
- TAA 1953.

[Schedule 2, items 20, 24, 28, 32, 34, 37, 43, 46 and 48]

2.24 The Schedule also amends Schedule 1 to the TAA 1953 to broaden the application of the rules around how documents issued by the Commissioner or by taxpayers are to be treated as evidence in judicial proceedings contained in Division 350 in Schedule 1 to cover all taxation laws, not just a number of specified tax regimes. *[Schedule 2, items 7 to 10, sections 350-5 and 350-10 in Schedule 1 to the TAA 1953]*

2.25 The equivalent provisions contained in the following Acts are repealed:

- *A New Tax System (Goods and Services Tax) Act 1999;*
- *Fringe Benefits Tax Assessment Act 1986;*
- *Fuel Tax Act 2006;*
- *Income Tax Assessment Act 1936;*
- *Income Tax Assessment Act 1997;*
- *Income Tax (Transitional Provisions) Act 1997;*
- *Petroleum Resource Rent Tax Assessment Act 1987;*
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997;*
- *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997;*
- *Superannuation (Government Co-contribution for Low Income Earners) Act 2003;*
- *Superannuation Guarantee (Administration) Act 1992;*
- *Superannuation (Unclaimed Money and Lost Members) Act 1999;* and
- TAA 1953.

[Schedule 2, items 19 to 23, 28 to 29, 32, 34, 36 to 37, 42, 46, 48 and 53 to 54]

2.26 The amendments to the Schedule 1 to the TAA 1953 do not alter the intended operation of the provisions as they apply to the administration and operation of various tax laws. The amended TAA 1953 provisions are merely a rewrite and consolidation of the provisions being repealed.

2.27 To remove any doubt that the TAA 1953 (including Schedule 1 to the Act) is intended to bind the Crown in each of its capacities; a new provision has been added to the beginning of the TAA 1953 putting the matter beyond doubt and ensuring the consolidation of the taxation administration provisions into the TAA 1953 does not alter the current policy objective. The new provision is consistent with the modern drafting practice that applies in relation to new Commonwealth Acts. New Acts routinely incorporate such a statement where it is intended that the Crown be bound by the Act in order to ensure the law is clear in its operation. *[Schedule 2, item 6, section 2B of the TAA 1953]*

Spent or redundant provisions

2.28 Schedule 2 to this Exposure Draft repeals the following spent or redundant provisions:

- Part VIII of the *Fringe Benefits Tax Assessment Act 1986*;
- Part IX of the *Petroleum Resource Rent Tax Assessment Act 1987*; and
- Sections 23AC, 82N and 202DA of the *Income Tax Assessment Act 1936*.

[Schedule 2, items 66, 70, 81, 84 and 86]

2.29 A number of related provisions referring to these provisions are also repealed or updated to remove redundant material. *[Schedule 2, items 55 to 65, 67 to 69, 71 to 75, 82 and 87 to 90]*

Moving the content of regulations into the primary law

2.30 The general principle of income tax is that interest on borrowed money that is incurred by a company in producing its assessable income, or is necessarily incurred by a company in carrying on business for the purpose of producing such income, is deductible when determining a company's taxable income. Conversely, dividends paid by a company on its share capital are not deductible.

2.31 Division 3A of Part III of the *Income Tax Assessment Act 1936*, gives effect to the policy position that interest paid on convertible notes has generally more in common with non-deductible dividends on deferred shares than deductible interest on borrowed money. Accordingly, Division 3A imposes conditions on the deductibility of convertible note interest. However, with the introduction of the debt/equity rules in *Income Tax Assessment Act 1997*, Division 3A now applies only for the

limited purpose of calculating an eligible controlled foreign company's attributable income for the purposes of Pt X of the *Income Tax Assessment Act 1936*.

2.32 The object of Division 3A is achieved by imposing a number of tests to ensure that the option to convert the note into share capital will rest solely with the lender, that the note holder's rights will at all times be constant and the right to convert the loan into share capital will not prejudice either the note holder nor existing shareholders for any interest paid to be deductible.

2.33 One of the tests is the conversion price test and it relies on a market price being ascertainable from a public market. Division 3A mandates that the market price be determined by reference to a prescribed stock exchange. However, the prescribed stock exchanges included in the *Income Tax Regulations 1936* are out of date.

2.34 Schedule 2 to this Exposure Draft replaces the existing power to prescribe stock exchanges for the purposes of Division 3A with a cross reference to the stock or securities exchanges that are prescribed for the purposes of the *Income Tax Assessment Act 1997* that operate in Australia. [*Schedule 2, item 83, section 82L definition of 'prescribed stock exchange'*]

2.35 This will update the list of stock or securities exchanges that apply for the purposes of the convertible note rules and consolidate the various lists of stock or securities exchanges that are approved for the purposes of the income tax law.

2.36 Section 128F of the *Income Tax Assessment Act 1936* exempts from withholding tax interest on certain publicly offered debentures and debt interests. To qualify for the exemption, companies, and Australian public bodies in the case of debt issued in Australia by the Commonwealth or Commonwealth authorities, must satisfy one of tests set out in the section. These tests are designed to ensure that the debentures are offered as part of a genuine large-scale capital raising in either the wholesale or retail capital markets.

2.37 Subsection 128F(8) ensures that interest withholding tax exemption is available where the finance is raised through a foreign resident wholly-owned subsidiary of an Australian resident company. Interest paid by the subsidiary to a foreign lender is not generally liable to Australian income tax as the transaction is between two foreign residents and the interest would not usually be an expense of an Australian business. The exemption provided by subsection 128F(8) applies to interest paid by the Australian parent company to the foreign resident subsidiary on the loan advanced by the subsidiary to the parent.

2.38 However, the exemption is restricted and is only available where:

- the only business of the foreign resident subsidiary is raising finance for the purposes of the parent company;
- the finance is raised by the foreign resident subsidiary by the issue of a debenture in a country specified in the *Income Tax Regulations 1936* (but not Australia); and
- the foreign resident subsidiary is a resident of the same foreign country in which the debentures are issued, determined under the taxation laws of that country at the time the debentures are issued.

2.39 Only the United States of America has been specified in the *Income Tax Regulations 1936* which was so specified in 1997.

2.40 In order to assist users of the law, this Schedule moves the specification of the United States of America into the primary law by amending subsection 128F(8). However, the regulation making power will be retained to allow other countries to be specified in the future. *[Schedule 2, item 85, subsection 128F(8) of the Income Tax Assessment Act 1936]*

Consequential amendments

2.41 The amendments update checklists contained in the *Income Tax Assessment Act 1997* to remove references to repealed provisions. *[Schedule 2, item 91, section 11-15 of the Income Tax Assessment Act 1997]*

2.42 Cross references to repealed provisions have been updated to refer instead to the rewritten provisions contained in the TAA 1953. *[Schedule 2, items 1 to 5, 18, 25 to 27, 30 to 31, 33, 35, 38 to 41, 44 to 45, 47 and 49 to 52]*

Application and transitional provisions

2.43 The amendments generally commence and apply from Royal Assent. *[Clause 2]*

2.44 For the purposes of transition, the repeal of the taxation administration provisions being consolidated into the TAA 1953 is delayed until 1 July 2015 (or 90 days after Royal Assent if this date is after 1 July 2015). This will allow the Commissioner time to make changes to administration systems as a result of the amendments (for example, changes to identification passes, changes to standardised forms relating to a formal request for information). *[Clause 2]*

2.45 The transitional provisions applying to the repeal of the spent or redundant laws ensure that the administration, collection and recovery of liabilities under those provisions relating to past tax years can still occur despite the repeal of those provisions. They also preserve the rights and obligations of taxpayers relating to past years. [Schedule 2, items 76 to 80]

Finding tables

2.46 This Chapter includes finding tables to assist in identifying which provision in the Exposure Draft corresponds to a provision in the old law that has been rewritten, and vice versa.

2.47 References to old law in the finding tables are to these provisions in the *Income Tax Assessment Act 1936*.

2.48 References to the new law are to provisions of the TAA 1953, unless otherwise indicated. Also, in the finding tables:

- *No equivalent* means that this is a new provision that has no equivalent in the old law. Typically, these would be guide material.
- *Omitted* means that the provision of the old law has not been rewritten in the new law.

Finding table 1 — old law to new law

<i>Old law</i>	<i>New law</i>
102US	350-10 in Schedule 1
128Q	350-10 in Schedule 1
176	350-15 in Schedule 1
177	350-10 in Schedule 1
177EA(8)	350-10 in Schedule 1
177EB(8)	350-10 in Schedule 1
263	353-15 in Schedule 1
264	353-10 in Schedule 1

Finding table 2 — new law to old law

<i>New law</i>	<i>Old law</i>
350-10(1) in Schedule 1	102US; 128Q; 177EA(8); 177EB(8); 177(1); 177(2); 177(3)
350-10(3A) in Schedule 1	164
350-10(4) in Schedule 1	177(4)
350-15 in Schedule 1	176
353-10 in Schedule 1	264
353-15- Schedule 1	263

Chapter 3

Financial Sector (Shareholdings) Act 1998

Outline of chapter

3.1 This Schedule amends the *Financial Sector (Shareholdings) Act 1998* (FSSA) so that persons who do not hold a direct control interest in a financial sector company will be deemed to have no stake in that financial sector company.

3.2 This has implications for determining the stake held by a person where the person acquires a direct control interest in a financial sector company.

3.3 The amendments will mean that where the associate of the person does not have a direct control interest in a financial sector company, it is no longer necessary to include the associate's interest with the aggregate direct control interest held by a person.

Context of amendments

3.4 Under the existing law, a person must obtain approval from the Treasurer to hold a stake in a financial sector company of more than 15 per cent. A stake is defined in clause 10 of Schedule 1 of the FSSA as the aggregate of the direct control interest held by that person and the direct control interest held by associates of that person.

3.5 Associates is widely defined in clause 4 of Schedule 1 of the FSSA to include a person's relatives, partners, related companies and other parties.

3.6 Where a person acquires a direct control interest in a financial sector company of more than 15 per cent, the associate of the person is also required to also obtain approval to exceed the 15 per cent shareholding limit. This can be despite the associate holding no direct control interest in the financial sector company. This imposes a burden for associates to reasonably comply with the law, particularly where associates are not aware of the requirement to seek the Treasurer's approval.

3.7 The measure proposed in this Schedule will remove the requirement on associates with no direct control interest in a financial sector company to seek the Treasurer's approval for a shareholding in excess of 15 per cent.

Summary of new law

3.8 The amendments in this Exposure Draft refine the definition of stake.

3.9 A person who does not hold a direct control interest in a financial sector company will be deemed to hold no stake in that company.

3.10 Only where a person holds a direct control interest of any size would the interest be aggregated with that of the person's associates to determine the total stake held.

3.11 For an associate holding a direct control interest in a financial sector company, the associate's stake is equivalent to the aggregate of their own stake, and other associates, including the person acquiring the actual direct control interest. The associate is required to seek the Treasurer's approval where the aggregated stake exceeds the 15 per cent shareholding limit.

Comparison of key features of new law and current law

<i>New law</i>	<i>Current law</i>
A person holds a stake in a company at a particular time only if the person holds a direct control interest in that company.	A person with no direct control interest is deemed to hold a stake in a company in addition to the stake held by the associates of the person at a particular time.

Detailed explanation of new law

3.12 The amendments change the law so that a person holds a stake in a financial sector company only if the person holds a direct control interest in the financial sector company.

3.13 A new definition of hold is inserted before subclause 10(1) of Schedule 1 and the heading in clause 10 of Schedule 1 is repealed and substituted with 'Holding a stake in a company'. [Schedule 3, items 15 and 16, clause 10 of Schedule 1 (heading), and before subclause 10(1) Schedule 1]

3.14 This has implications for an associate of a person, where a person acquires a direct control interest in a financial sector company.

3.15 The simplified outline has been replaced to reflect the change that a person will not be deemed to have a stake in a financial sector company, where the person does not have a direct control interest. The simplified outline is intended to assist readers in understanding the substantive provisions, but should not be considered as comprehensive. *[Schedule 3, item 1, section 8]*

3.16 Subparagraph 23(1)(b)(i) and (ii) are amended to require that a person hold a stake, according to the new definition in subclause 10(1A) of Schedule 1 of the FSSA, and not merely have any stake in a financial sector company. The change emphasises that the 15 per cent shareholding limit only applies to persons with a direct control interest, and stake in a financial sector company. *[Schedule 3, items 2 and 3, subparagraph 23(1)(b)(i) and (ii)]*

3.17 Similarly, the subparagraphs of 24(1)(c)(i) and (ii), 25(1)(c)(i) and (ii), and 25(1)(f)(i) and (ii) are amended so that a stake is held, to ensure consistency with the new definition of stake. Paragraph 31(1)(c) is also amended. *[Schedule 3, items 4 to 9, subparagraphs 24(1)(c)(i) and (ii), 25(1)(c)(i) and (ii), 25(1)(f)(i) and (ii), and paragraph 31(1)(c)]*

3.18 The anti-avoidance provisions are amended so that stakeholders must hold a stake for the shareholding limit to apply rather than having a non-direct control shareholding. *[Schedule 3, item 10, paragraph 31(1)(c)]*

3.19 For consistency, the definition of hold is inserted into the anti-avoidance provisions, and is given the same meaning as in Schedule 1. The definition of stake is similarly amended so that a stake is held in relation to a company. *[Schedule 3, items 11 and 12, subsection 31(3)]*

3.20 The ownership definition of hold is inserted in Schedule 1 to have the meaning given by subclause 10(1A) in Schedule 1. *[Schedule 3, item 13, subclause 2(1) of Schedule 1]*

3.21 The definition of increase is amended so that a stake must be held in a company. *[Schedule 3, item 14, subclause 2(1) Schedule 1 (definition of increase)]*

3.22 The amendments made by this Schedule apply for the purposes of determining, whether a person holds a stake in a company and if the person does, the percentage stake. *[Schedule 3, item 17]*

Chapter 4

Rewrite: definition of Australia

Outline of chapter

4.1 Schedule 4 to this Exposure Draft rewrites provisions from the *Income Tax Assessment Act 1936* (ITAA 1936) into the *Income Tax Assessment Act 1997* (ITAA 1997) and the *Taxation Administration Act 1953* (TAA 1953). This is another step towards achieving a single income assessment act for Australia.

4.2 The rewritten provisions define ‘Australia’ for income tax purposes. The income tax concept applies across other taxes, with amendments as required in order to retain intended policy differences.

4.3 The rewritten provisions generally make no policy changes. However, they include the drafting changes needed to conform to the legislative approach used in the ITAA 1997, to simplify how the law is expressed, and to remove any ambiguity about the operation of the law.

Context of amendments

Outline

4.4 This context explains the historical background to the ITAA 1997 and the steps that have been taken as part of the rewrite of the ITAA 1936. It also summarises the changes the Schedule makes to the provisions it rewrites.

Creating the 1997 Act

4.5 In November 1993, the Joint Committee of Public Accounts recommended that the income tax law be rewritten.¹ The Keating government accepted the recommendation and created the Tax Law Improvement Project (TLIP) to implement it.

1 Joint Committee of Public Accounts, Report No. 326, *An Assessment of Tax*, p. 84.

4.6 In April 1995, the TLIP team published a discussion paper proposing to rewrite the law progressively. It proposed that approach for several reasons, including:

- rewriting the law in tranches would be less disruptive for the Parliament and other users of the law;
- the benefits of the rewrite would be available sooner; and
- waiting to deliver the whole rewrite at once would almost certainly involve having to rewrite some things twice, as the law changed in the interim.

4.7 The team's proposal was adopted. This led to the ITAA 1997 (introduced into Parliament in 1996 and enacted in 1997) and two further Acts: the *Tax Law Improvement Act 1997* and the *Tax Law Improvement Act (No. 1) 1998*. Each Act included rewrites of tranches of the income tax law.

Further stages of rewriting the income tax law

4.8 In August 1998, the Howard Government announced, in its *Tax Reform: Not a New Tax, A New Tax System* paper, that the TLIP team would be subsumed into the taskforce being assembled to implement the substantive reforms that paper proposed.²

4.9 Since that time, little formal work has been done on a pure rewrite of the remaining provisions of the ITAA 1936. However, rewriting has continued as part of substantive reforms. The reform of the imputation system in 2002, for example, included a rewrite of the imputation provisions from the ITAA 1936 into the ITAA 1997.

4.10 The ITAA 1936 has not been repealed. However, in 2006, the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006* repealed all the provisions of the ITAA 1936 that had so far been rewritten, as well as other provisions of the Act that had become inoperative.

4.11 A further rewrite of certain Parts of and Schedules to the ITAA 1936 was included in *Tax Laws Amendment (Transfer of Provisions) Act 2010*.

² *Tax Reform: Not a New Tax, A New Tax System*, August 1998, p. 149.

What does the Bill do?

4.12 TLIP had no mandate to make significant policy changes, but it did have a wide brief to improve the legislation it was rewriting. TLIP introduced many of the drafting features we now take for granted in the income tax and goods and services tax (GST) laws (such as a top-down structure, aids to navigation, asterisking of defined terms, and non-operative guide material). It also used plain English drafting for its rewrites.

4.13 Consistent with this approach, the rewrite in this Schedule involves no significant policy changes but does conform to the drafting approach used in the ITAA 1997 and in Schedule 1 to the TAA 1953.

What sorts of changes have been made to the material?

4.14 In general, the rewrite aims to reproduce the ITAA 1936 material, in language that has been changed as little as possible, and in the same order as the original material. However, some alterations have been made in order to ensure the revised material is clear and consistent with provisions elsewhere in the ITAA 1997.

Structural changes

4.15 In some cases, material has been consolidated or reordered to better conform to the structure of the current law. These cases are itemised later in the Chapter.

Inoperative and transitional material

4.16 Material that is clearly inoperative has been removed, and some material of a transitional nature has been moved from the principal rules into the *Income Tax (Transitional Provisions) Act 1997*. These cases too are itemised later in this Chapter.

Numbering

4.17 In some cases, the numbering of provisions has changed to reflect the location in the ITAA 1997 or the TAA 1953 into which the provisions have been rewritten. Structural changes and removal of inoperative provisions have also affected the numbering in some areas. The specific changes made by this rewrite are explained later in the Chapter.

General wording changes

4.18 In a few instances, wording has been changed where it produced a clearly simpler result without changing the meaning.

Guide material

4.19 Guide material has been added where none exists in the current law and, where it does exist, has often been substantially rewritten. The added material includes both formal guides to Divisions and Subdivisions, and notes that point readers to related provisions or other relevant information.

Definitional changes

4.20 The most significant changes made as part of this rewrite were made to ensure that the rewritten material conformed to the rules for defined terms used in the ITAA 1997. The most important of these rules is the ‘one-term, one-meaning’ protocol that requires a defined term to have the same meaning across the ITAA 1997. By contrast, it is quite common in the ITAA 1936 for definitions to apply only to a Division, or even to a section, and for the same term to be defined in many different ways throughout that Act.

4.21 In some cases, the current law defines a term inconsistently with its definition or use in the ITAA 1997, and in others a term may be defined in the ITAA 1997 but take its ordinary meaning in the current law. The changes made in the rewrites to accommodate the definitional rules have aimed to preserve the meaning of the current law.

Will the rewrite affect interpretation of the law?

4.22 Whenever the wording of legislation changes, its meaning could change too. An important aim of the rewrites in this Schedule is to minimise any changes in meaning. It is not intended that by merely changing the structure, wording or location of provisions changes their meaning.

Statutory influences on interpretation

4.23 The main reason is that section 1-3 of the ITAA 1997 provides that an idea expressed in one form of words in the ITAA 1936 is not taken to be different when the same idea appears to be expressed in the ITAA 1997 but in a different form of words. Section 15AC of the *Acts Interpretation Act 1901* says the same thing.

4.24 Because ‘this Act’ is defined in the ITAA 1997 to include Schedule 1 to the TAA 1953, section 1-3 produces the same result for material rewritten into that Schedule.

4.25 In general, there is no intention that this rewrite should change the ideas expressed in the original material, so section 1-3 should prevent any changes in meaning being inferred because different words have been used. In those few cases where a different meaning is intended, the detailed explanations say so expressly.

Effect on ATO rulings

4.26 The Australian Taxation Office (ATO) publishes rulings about the interpretation of taxation laws.³ Those rulings are more than just the Commissioner of Taxation's (Commissioner) opinion about what the law means; they are statements to which the Commissioner is legally bound, even if they prove to be wrong (see Division 357 in Schedule 1 to the TAA 1953).

4.27 There might be doubt about the ongoing effect of a ruling about a provision that has been rewritten. To the extent that a rewritten provision expresses the same idea as the original provision, section 357-85 of Schedule 1 to the TAA 1953 provides that the ruling applies equally to the rewritten provision. That means that taxpayers can rely on an existing ruling, and receive the same legal protection as if the ruling were about the rewritten provision.

How is this explanatory memorandum arranged?

4.28 After this context, the explanatory memorandum contains a discussion of the specific changes made by the rewrite.

4.29 Each discussion explains, in broad terms, what the rewritten material does. It also discusses particular issues relevant to the rewritten material, including:

- the material that was not rewritten because it was inoperative;
- the changes made to conform to definitional requirements; and
- the reasons for the location and structure of the rewritten material.

4.30 This Chapter does not discuss the detailed policy reasons for the original provisions. However, it does list the Act that introduced the original provisions and each of the Acts that amended them. That list will help those interested in the policy reasons for the provisions to find the original explanatory memorandums and parliamentary debates that explain them.

4.31 The Chapter does discuss the reasons for any substantive changes to the original provisions. It also explains the consequential amendments to other provisions that are needed as a result of enacting the rewrite.

3 These can be found on the ATO's website: www.ato.gov.au

Finding tables

4.32 Finding tables follow the specific discussion. Those tables cross-reference the original provisions with their equivalents in the rewrites. The tables help taxpayers map the rewrite onto the existing provisions and vice versa.

Background to the rewritten provisions

Australia - what does it mean?

Summary

4.33 This Schedule introduces amendments as a means to simplify the meaning of Australia for the purposes of the income tax law.

4.34 This background briefly details why the meaning of Australia is fundamental to the operation of the income tax law and then explains what the existing meaning is and how it is arrived at.

4.35 The existing meaning is overly complicated and is derived from the application of over 13 Commonwealth Acts. The background explains the existing meaning by demonstrating how the ordinary meaning of Australia is affected by each of those Acts.

4.36 There are three deviations from the ordinary meaning of Australia. The first is to do with Australia's external Territories; the second deals with waters surrounding the main continental landmass and Australia's external Territories; and the third deviation is regarding what are referred to as offshore installations. Offshore installations include things such as oil platforms located somewhere in Australia's waters.

4.37 To summarise, Australia for the purposes of the income tax law includes the States and internal Territories, all of Australia's external Territories, Australia's territorial waters (including the territorial waters surrounding the external Territories) and much of the waters contained in Australia's exclusive economic zone. Australia also includes the airspace above and the sea-bed and subsoil beneath Australia's waters.

Object

4.38 While the main continental landmass (including the State of Tasmania) is always considered part of Australia, the difficulty is in defining what Australia includes beyond that landmass.

4.39 Which of Australia's external Territories are considered part of Australia for the purposes of the tax law?

4.40 How much of the oceans and seas surrounding the continental landmass are considered part of Australia (including the land beneath and airspace above)?

4.41 How much of the waters surrounding Australia's external Territories are considered part of Australia?

4.42 And what of the oil rigs and other installations that are on those waters? Or the seabed beneath (including the minerals that may be contained within the seabed)?

4.43 Currently, what is meant by Australia (when used in a geographic sense) for tax law purposes can only be ascertained after considering the provisions of the tax law itself and the application of a number of other Commonwealth laws.

4.44 The intent of this Schedule is to simplify how the tax law defines Australia without changing existing policy.

Why does the definition of Australia matter?

4.45 The primary importance of defining Australia for income tax purposes is for determining who should be taxed and on what income. Australia is used in two key concepts in the income tax law, namely Australian resident and Australian source.

4.46 Australian residents are taxable on their income from all sources. Foreign residents are taxable on only their Australian sourced income.

4.47 Australia is also important for the purposes of the capital gains tax rules as foreign residents are only subject to Australian income tax on capital gains that are connected with Australian real property or with mining rights covering areas situated in Australia.

What is currently meant when we refer to Australia in the income tax law?

4.48 The income tax law predominantly relies upon a definition of Australia that is ascertained from both the common law and Commonwealth statutes. The ITAA 1936, amongst other Acts, expands on that definition (for example, see sections 6AA and 7A). This background begins with the ordinary meaning of Australia and explains how the various Commonwealth Acts affect that meaning and how it is applied in the income tax law.

Ordinary meaning

4.49 The Macquarie Dictionary definition of Australia is limited to the main continental landmass (including Tasmania).

Effect of the Acts Interpretation Act 1901

4.50 The *Acts Interpretation Act 1901* makes two additions to the meaning of Australia. One must presume that the additions are to the ordinary meaning of Australia because there is no other base definition in the Commonwealth statute book. In any event, the dictionary definition seems consistent with the additions provided by the *Acts Interpretation Act 1901*.

Territorial seas

4.51 The first addition (see section 15B) includes as part of Australia, Australia's territorial seas, a definition of which can be found in the *Seas and Submerged Lands Act 1973*. However, the *Acts Interpretation Act 1901* makes no reference to that Act. Nonetheless, reference to that Act can be reasonably assumed. It is under the *Seas and Submerged Lands Act 1973* that the Commonwealth has assumed sovereignty over the territorial sea. This Act has enacted into domestic law the international law governing, amongst other similar matters, territorial seas.

4.52 Section 15B also has the effect of including airspace above and sea-bed and subsoil beneath the territorial sea as part of Australia.

4.53 In addition, section 15B also includes within the definition of Australia any seas on the landward side of Australia's territorial waters (but not those waters that are within the limits of states or internal territories). By way of example, seas on the landward side of the territorial sea would include bays and rivers that flow into the territorial sea.

External Territories

4.54 The second addition (see section 17) is to include the external Territories of Christmas Island and the Cocos (Keeling) Islands as part of Australia. The territorial seas adjacent to those territories would also form part of Australia because of section 15B.

4.55 The *Acts Interpretation Act 1901* specifies that no other external Territory is to be considered part of Australia. However, as with most definitions in the *Acts Interpretation Act 1901*, this definition is subject to a contrary interpretation being expressed by a particular statute.

Governing Acts of the external Territories

4.56 The *Acts Interpretation Act 1901*, in including Christmas Island and the Cocos (Keeling) Islands within the meaning of Australia, is consistent with the Acts governing those territories. The territories' governing Acts apply all Commonwealth laws to those territories except where an Act expressly provides that it does not apply to the territory.

4.57 In addition to the Territory of Christmas Island and the Territory of Cocos (Keeling) Islands, the Territory of Ashmore and Cartier Islands also forms part of Australia. That Territory's governing Act also provides that all Commonwealth laws apply to the Territory unless an Act expressly provides otherwise. To properly and practically apply many Commonwealth Acts to this territory it would be necessary to adjust parts of the terminology of certain Acts (for example, you would need to read references to Australia to include the external Territory). Attempting to apply Commonwealth laws without making such adjustments to terminology may be contrary to the intention of the Act. For example, because there is no express statement otherwise in the income tax laws, these laws would apply to Ashmore and Cartier Islands under the territory's governing Act. However, applying the Act to the territory when the territory would not be part of Australia under the income tax law cannot be practically undertaken.

4.58 However, the *Acts Interpretation Act 1901* does expressly provide that Australia does not include external territories other than the Territory of Christmas Island and the Territory of Cocos (Keeling) Islands. That said, this is subject to a contrary intention. By adopting a strict interpretation consistent with the *Acts Interpretation Act 1901*, the provision applying Commonwealth laws to the territory (in the territory's governing Act) would often be made meaningless and would therefore produce an absurd outcome. The preferred interpretation would be that the Territory's governing Act applies the income tax law and other comparable Commonwealth Acts to the territory as if the territory were part of Australia. It is noted that such an interpretation is not beyond doubt and does potentially confuse the separate concepts of 'extension to the territory' and 'application to the territory'.

Income tax law

4.59 Turning now to the provisions of ITAA 1936, section 7A of that Act provides that it extends to, and that Australia includes, the Territories of Christmas Island and the Cocos (Keeling) Islands. Given the definition of Australia in the *Acts Interpretation Act 1901*, this part of section 7A is now practically redundant; however, it does give important guidance to the reader. Section 7A also includes the Territory of Norfolk Island as part of Australia.

4.60 Section 7A, in respect of Norfolk Island, displaces the provision in the territory's governing Act that provides that unless expressly provided otherwise, Commonwealth laws do not apply in the territory.

4.61 The remaining Australian external Territories (except the Australian Antarctic Territory) are brought within the Australia tax system under section 6AA – however, not in the same manner as in section 7A.

4.62 Section 6AA brings within Australia's tax system (by applying the Act and expanding the definition of Australia) the Coral Sea Islands Territory, the Territory of Heard Island and McDonald Islands and the Territory of Ashmore and Cartier Islands (noting that the last case is possibly redundant – see above). However, it purports to do so only in a limited manner.

4.63 Section 6AA also brings within the income tax system sea installations and most of the offshore areas within Australia's contiguous zone, exclusive economic zone and continental shelf.

4.64 Section 6AA limits the inclusion of the above mentioned extensions to activities related (directly or indirectly) to specific purposes. These purposes are exploration and prospecting for minerals, the carrying out of mining operations, or the carrying on of an 'environmental related activity' as well as activities that relate to 'acts, matters, circumstances and things touching, concerning, arising out of or connected with the primary activities'. Effectively, a loose nexus needs to be established between the activity undertaken and the exploration or mining of minerals or the undertaking of an environmental activity undertaken in one of those areas.

4.65 *Prima facie*, the expansion does seem relatively narrow. However, the definition of 'environmental related activity' is significantly wider than the ordinary meaning of the term would suggest.

4.66 Environmental related activity is defined as any activity relating to:

- tourism or recreation; or
- the carrying on of a business; or
- exploring, exploiting or using the living resources of the sea, of the sea bed or of the subsoil of the seabed, whether by way of fishing, pearling oyster farming, fish farming or otherwise; or
- marine archaeology; or
- a prescribed purpose,

and includes a scientific activity and a transport activity.

4.67 Both scientific activity and transport activity are further defined.

4.68 It should also be noted that the territories in question are uninhabited (except for a small manned meteorological station on one of the Coral Sea Islands).

4.69 There does not appear to be any activities relevant for purposes of the income tax law that are not included within the definition of 'environmental related activities' or mineral exploration or exploitation or loosely related to such activities. Effectively, for the purposes of the income tax law, the external Territories and offshore areas appear to be fully included as part of Australia.

Opportunity for reform and significant simplification

4.70 To do away with the complex and ad hoc nature of the existing definition, the amendments codify and consolidate in one place a definition of Australia for income tax purposes.

4.71 This approach also does away with the current complexities associated with section 6AA. Given the findings outlined above, it is difficult to ascertain what activities would not result in the external Territories and offshore areas and installations being considered part of Australia for income tax purposes. From a practical perspective, particularly given the current limited activities undertaken in those areas, those areas are included in Australia for all known tax law purposes. This Schedule therefore amends the income tax law so that those Territories and areas are included as part of Australia for all purposes under the income tax laws. It results in a reduction in the complexity of the law without affecting the current income tax base.

4.72 The new consolidated definition should include a number of notes and signposts to ensure that the reader has all information readily available to understand what the meaning of Australia is.

4.73 Geoscience Australia publishes maps of Australia and its maritime zones and external territories.⁴ These maps provide a useful pictorial illustration of the textual descriptions contained in law.

Summary of new law

4.74 Schedule 4 to this Bill rewrites sections 6AA and 7A of the ITAA 1936 into the ITAA 1997.

4 <http://www.ga.gov.au/data-pubs/maps>.

4.75 The amendments also ensure that the new definition of Australia is then cross referenced across taxation laws with appropriate, and clearly articulated, adjustments being made to the definition in order to preserve intended policy differences.

4.76 In some cases, labels and terms have been changed in order to ensure the application of the various taxes is clearly articulated and can be understood and applied more easily.

Detailed explanation of new law

4.77 Schedule 4 to this Bill rewrites sections 6AA and 7A of the ITAA 1936 into the ITAA 1997.

How the rewrite is different

Guide material

4.78 The rewrite contains newly written guide material in respect of sections 6AA and 7A of the ITAA 1936. The guide material summarises the definition of Australia for income tax purposes and the definition is constructed. *[Schedule 4, item 4, section 960-500 of the ITAA 1997]*

Structural changes

4.79 The contents of sections 6AA and 7A of the ITAA 1936 are combined together and are more clearly linked with the concepts for which they are important.

4.80 Many of the complexities, carve outs and limitations incorporated into the existing provisions are removed given they do not result in an identifiable policy outcome.

4.81 Common or duplicated concepts and cross references contained within the following Acts are repealed and instead linked with the rewritten provisions:

- ITAA 1997;
- ITAA 1936;
- TAA 1953;
- *A New Tax System (Goods and Services Tax) Act 1999;*

- *A New Tax System (Australian Business Number) Act 1999*;
- *A New Tax System (Luxury Car Tax) Act 1999*;
- *A New Tax System (Wine Equalisation Tax) Act 1999*;
- *Fringe Benefits Tax Assessment Act 1986*; and
- *Superannuation Guarantee (Administration) Act 1992*.

Differences in rewrite

4.82 The rewrite is a simplified expression of section 7A of the ITAA 1936 but contains no substantive policy changes. [*Schedule 4, item 4, section 960-505 of the ITAA 1997*]

4.83 The rewrite is also a simplified expression of section 6AA of the ITAA 1936 but removes many of the complexities, carve outs and limitations contained in the section that achieve no identifiable policy outcome and serve solely to increase red tape for taxpayers and other users of the law. [*Schedule 4, item 4, section 960-505 of the ITAA 1997*]

4.84 The current terminology and associated labelling around the geographic operation of the GST, luxury car tax and wine equalisation tax has been adjusted to reflect both the new definition of Australia and the differing operation of the indirect taxes when compared against the direct taxes. [*Schedule 4, Part 3 and items 31 to 57*]

4.85 Unlike income tax, the GST does not operate in Australia's external territories and in certain offshore areas. As opposed to referring to the GST as operating in 'Australia' when the GST does not apply to certain parts of the Australia, a new label, the indirect tax zone, is applied to make clear the difference in application of the indirect taxes. The scope of the ***indirect tax zone*** is no different to the current scope of 'Australia' for indirect tax purposes. That is, there is no policy change in regard to the scope of the GST. This change in terminology allows the policy outcome to be preserve while still having a consistent definition of Australia across the tax law. [*Schedule 4, item 23, section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999*]

4.86 An Australian business number (ABN) is used for numerous tax and purposes throughout Australia. When the ABN was first introduced, it was closely connected with the operation of the GST and incorporated many of the GST's geographic limitation. However, as the use of the ABN has expanded, these limitations have been overridden by new provisions, allowing access to the ABN for entities which are not necessarily subject to GST. This has created unnecessary complexity.

Further, the remnants of the original link to GST have artificially limited the natural evolution of the ABN as the single business identifier for the Australian governments. The rewrite instead aligns the geographic scope of the *A New Tax System (Australian Business Number) Act 1999* with the income tax definition of Australia so as to allow the ABN to better achieve its stated purposes. [Schedule 4, items 25 to 30 section 8 of the *A New Tax System (Australian Business Number) Act 1999*]

Consequential amendments

4.87 Cross references to provisions that have been rewritten have been updated to instead refer to the rewriting provisions.

Application and transitional provisions

4.88 The amendments apply to the 2015-16 income year and later income years. [Schedule 4, item 69]

Legislative history of the provisions

4.89 Section 6AA of the ITAA 1936 was added by *Income Tax Assessment Act (No. 4) 1968* (Act No. 87 of 1968).

4.90 Section 7A of the ITAA 1936 was added by *Income Tax Assessment Act (No. 4) 1973* (Act No. 164 of 1973) and has not been subsequently amended.

4.91 These Acts have amended section 6AA:

<i>Act title</i>	<i>Act No.</i>	<i>Effect of amendments</i>
<i>Income Tax Assessment Act 1973</i>	No. 51 of 1973	Formal amendments to change dates from words to words and figures.
<i>Statute Law Revision Act 1973</i>	No. 216 of 1973	Formal amendment to introduce new shorthand labels for referring territories of the Commonwealth.

<i>Act title</i>	<i>Act No.</i>	<i>Effect of amendments</i>
<i>Income Tax Assessment Act (No. 2) 1974</i>	No. 126 of 1974	Section 6AA applied so that exploration or exploitation of oil or natural gas and associated activities carried out on the continental shelf of Australia are treated for income tax purposes as though the activities were carried out on the mainland. This Act extended the scope of section 6AA so that exploration and mining activities for minerals other than petroleum and associated activities conducted off-shore on the continental shelf will also be regarded for income tax purposes as being conducted in Australia.
<i>Income Tax Assessment Act 1975</i>	No. 80 of 1975	Made amendments of a purely drafting nature to section 6AA, arising from changes made in 1974 to the <i>Petroleum (Submerged Lands) Act</i> . Those changes were part of legislative rearrangements under which rules governing mineral exploration and exploitation on Papua New Guinea's continental shelf ceased to be set out in Australian legislation and were provided for by Papua New Guinea law.
<i>Income Tax Laws Amendment Act 1981</i>	No. 108 of 1981	Formal amendments to change how internal cross references are expressed (introduction of forward-referencing, e.g., subsection 6AA(1) instead of subsection (1) of section 6AA)

<i>Act title</i>	<i>Act No.</i>	<i>Effect of amendments</i>
<i>Taxation Laws Amendment Act 1988</i>	No. 11 of 1988	<p>The Act made several amendments to section 6AA. Under the income tax law, Australian residents are generally subject to Australian tax on all their income regardless of its source, whereas foreign residents are subject to Australian tax only on income that has a source in Australia. For purposes of the income tax law relating to, or in connection with, mineral exploration and exploitation, the existing section 6AA extends the area deemed to be part of Australia to include certain offshore areas.</p> <p>The Act did not alter the basic principle that Australia has income tax coverage in the offshore areas over which it exercises jurisdiction. Rather, the Act amends extended the areas covered by section 6AA to better reflect Australia's jurisdiction and extend the scope of the activities to be covered in line, broadly, with the then recently enacted <i>Sea Installations Act 1987</i>.</p>
<i>Petroleum (Timor Sea Treaty) (Consequential Amendments) Act 2003</i>	No. 10 of 2003	The amendments ensured that the Joint Petroleum Development Area (within the meaning of the <i>Petroleum (Timor Sea Treaty) Act 2003</i>) is treated as part of Australia for the income tax purposes.
<i>Offshore Petroleum (Repeals and Consequential Amendments) Act 2006</i>	No. 17 of 2006	The amendments are a consequence of the enactment <i>Offshore Petroleum Act 2005</i> which replaced the <i>Petroleum (Submerged Lands) Act 1967</i> .
<i>Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006</i>	No. 101 of 2006	Repealed inoperative material from section 6AA.
<i>Offshore Petroleum Amendment (Greenhouse Gas Storage) Act 2008</i>	No. 117 of 2008	Updated the reference to cross referenced a cross referenced Act that had been retitled.
<i>Tax Laws Amendment (2011 Measures No. 2)</i>	No. 41 of 2011	Removed inoperative references to Papua New Guinea.

<i>Act title</i>	<i>Act No.</i>	<i>Effect of amendments</i>
<i>Act 2011</i>		

Finding tables

4.92 This Chapter includes finding tables to assist in identifying which provision in the Bill corresponds to a provision in the old law that has been rewritten, and vice versa.

4.93 References to old law in the finding tables are to these provisions in the ITAA 1936.

4.94 References to the new law are to provisions of the ITAA 1997, unless otherwise indicated. Also, in the finding tables:

- *No equivalent* means that this is a new provision that has no equivalent in the old law. Typically, these would be Guide material.
- *Omitted* means that the provision of the old law has not been rewritten in the new law.

Finding table 1 — old law to new law

<i>Old law</i>	<i>New law</i>
6AA	960-505
7A	960-505

Finding table 2 — new law to old law

<i>New law</i>	<i>Old law</i>
960-500	No equivalent
960-505	6AA; 7A

