



Explanatory Statement

Single Touch Payroll – Determination of Amounts to be Notified

General Outline of Instrument

1. This instrument is made under subsection 389-5(3) of Schedule 1 to the *Taxation Administration Act 1953* (TAA 1953).
2. This instrument determines the information which the approved form may require to be reported through Single Touch Payroll for the purposes of paragraph 389-5(2)(b) of Schedule 1 to the TAA 1953.
3. The instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.
4. Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

Date of effect

5. The instrument commences on 1 July 2018.
6. Subsection 12(1A) of the *Legislation Act 2003* provides that a legislative instrument may commence before the instrument is registered.

What is this instrument about

7. Division 389 of Schedule 1 to the TAA 1953 established Single Touch Payroll reporting.
8. That Division provides for both mandatory (section 389-5 of Schedule 1 to the TAA 1953) and voluntary (section 389-15 of Schedule 1 to the TAA 1953) reporting of employee payroll and superannuation information by employers.
9. Reporting through Single Touch Payroll is required to be in the approved form.
10. Subsection 389-5(2) of Schedule 1 to the TAA 1953 provides that the approved form may only require the reporting of information which is prescribed by subsection 389-5(1) of Schedule 1 to the TAA 1953 or additional information which has been prescribed by legislative instrument.
11. This instrument prescribes the additional information which may be required by the approved form for the purposes of paragraph 389-5(2)(b) of Schedule 1 to the TAA 1953.

What is the effect of this instrument

12. This instrument prescribes additional information which the approved form may require to be reported under Division 389 of Schedule 1 to the TAA 1953 using Standard Business Reporting (SBR) enabled software.
13. The kinds of amounts that need to be reported can be found in the *Standard Business Reporting Australian Taxation Office Payroll Event* package (as published from time to time by the Commissioner of Taxation and available at www.ato.gov.au/PAYGWapprovedforms)
14. The additional information required includes all necessary identity information and information required for each employee's tax return in relation to reported earnings. It also provides for increased reporting in relation to employees' superannuation entitlements.
15. The prescribed information has been reported from 1 July 2018. The instrument is not detrimental to anyone including the Commonwealth.
16. The compliance cost impact has already been assessed in the original Single Touch Payroll Regulation Impact Statement. As such, the implementation of this instrument will not place any additional impacts on business.

Consultation

12. The reporting requirements have been developed through consultation by the ATO with payroll software developers and bodies representing payroll users.
13. The consultation process worked through the practicalities of regular employee payroll and superannuation information reporting as it relates to day-to-day payroll operation.

Legislative references:

Acts Interpretation Act 1901

Human Rights (Parliamentary Scrutiny) Act 2011

Legislation Act 2003

Taxation Administration Act 1953

Statement of Compatibility with Human Rights

This Statement is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

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This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview

This instrument prescribes kinds of amounts determined for the purposes of paragraph 389-5(2)(b) of Schedule 1 to the *Taxation Administration Act 1953* that need to be reported by employers to the Commissioner of Taxation under Single Touch Payroll.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms because the new instrument is of a minor or machinery nature. This instrument determines that the kinds of amounts that are reported under Single Touch Payroll are described in the approved form. The approved form gives instruction for people building software that will be used for reporting under Single Touch Payroll.

Conclusion

This legislative instrument is compatible with human rights as it does not raise any human rights issues.