



---

## Replacement Explanatory Statement

### Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce (Repeal)

---

#### General Outline of Instrument

1. This instrument repeals the *Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce* instrument (F2018L00711), a legislative instrument made under subsection 389-10(1) of Schedule 1 to the *Taxation Administration Act 1953*.
2. The *Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce* provided an exemption from reporting through Single Touch Payroll to a class of entities.
3. This replacement Explanatory Statement provides details of public consultation undertaken prior to the inclusion of fewer than 20 employees into the Single Touch Payroll reporting regime.
4. This instrument and the instrument being repealed are legislative instruments for the purposes of the Legislation Act 2003.
5. 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

6. The instrument commences on 1 July 2019. This Replacement Explanatory Statement commences on the day after it is registered on the Federal Register of Legislation and it replaces the Explanatory Statement to *Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce (Repeal)* [F2019L00458].

#### What is this instrument about

7. As originally enacted, Division 389 of Schedule 1 to the *Taxation Administration Act 1953* provided for the reporting of payroll and superannuation information by an entity that had been a substantial employer at any time after 1 April 2018.
8. An employer became a substantial employer, and was obliged to report information using Single Touch Payroll, if, on the previous 1 April, 20 or more individuals were employees of the entity or it was a member of a wholly owned group on that date and the total number of employees of all of the members of the group was 20 or more (subsection 389-5(6) of Schedule 1 to the *Taxation Administration Act 1953*).

9. Recognising that seasonal and industry specific factors could result in some employers becoming obliged to report information using Single Touch Payroll when their number of employees did not exceed the threshold for the majority of the year, the Commissioner made the *Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce* (F2018L00711) legislative instrument to exempt a class of employers from Single Touch Payroll reporting.
10. The *Treasury Laws Amendment (2018 Measures No. 4) Act 2019* has amended section 389-5 to extend STP reporting to all entities from 1 July 2019.
11. As a consequence, the exemption is not required for income years beginning on or after 1 July 2019.

### **What is the effect of this instrument**

12. This instrument repeals the *Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce* (F2018L00711) legislative instrument, registered on 5 June 2018.
13. An entity with circumstances that meet the test specified in that instrument remains exempt from section 389-5 (reporting under Single Touch Payroll) for the 2018-19 income year.
14. An entity that requires additional support to commence reporting through Single Touch Payroll on or after 1 July 2019 should contact the Australian Taxation Office to request an individual deferral or exemption.
15. There is a reporting concession now available to certain employers in this class that meet the eligibility criteria to ease the reporting burden.

### **Consultation**

16. The extension of Single Touch Payroll to all employers commenced on 1 July 2019. The 1 April test to determine if an employer was a substantial employer of 20 or more employees was removed and therefore there was no need for this class exemption in *Taxation Administration – Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce* (F2018L00711) legislative instrument, registered on 5 June 2018. As such no specific consultation was undertaken on the repeal of this legislative instrument.
17. The Regulation impact statement published in the Explanatory Memorandum to the *Treasury Laws Amendment (2018 Measures No. 4) Bill 2018* provides details of the extensive consultation undertaken for Single Touch Payroll. This includes the consultation undertaken with small and micro businesses, tax and BAS practitioners and other industry associations. It explains how this consultation influenced the policy framework and design of the system for small businesses. It also provided details of the phase in of Single Touch Payroll for small businesses.
18. Treasury has also undertaken consultation on *Treasury Laws Amendment (2018 Measures No. 4) Bill 2018* via the Treasury Website. This Bill, when enacted made the legislative instrument *Treasury Laws Amendment (2018 Measures No. 4) Bill 2018* redundant. Taxpayers and their advisors could be made aware that the legislative instrument was no longer relevant by this consultation process.

***Legislative references:***

*Acts Interpretation Act 1901*

*Taxation Administration Act 1953*

*Legislation Act 2003*

*Human Rights (Parliamentary Scrutiny) Act 2011*

## **Statement of Compatibility with Human Rights**

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

### **Taxation Administration - Single Touch Payroll – Exemption for Employers Having a Seasonal Workforce (Repeal)**

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 of the Legislative Instrument**

The instrument repeals an exemption for employers with a seasonal workforce from mandatory reporting through Single Touch Payroll reporting.

#### **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.

#### **Conclusion**

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