

Email Submission to the Review of Payroll Tax Administration  
Submitted by: Johnsons MME  
Date: 4 July 2018

Please find attached proposal to make the reporting and collection of payroll tax more efficient.

For the purpose of your review, please ignore reference to workers compensation which appears in our proposal

**From:**

**Sent:** Tuesday, 12 June 2018 4:48 PM

**To:**

**Cc:**

**Subject:** FW: Proposal to improve reporting of wages for employers

Hi

Thanks for your time this morning.

As discussed, our Cross Border Working Group has been working on a proposal to streamline wage reporting obligations for employers.

Currently businesses in Albury-Wodonga who employ staff on both sides of the border have to deal with 5 different departments to meet their reporting obligations.

1. Australian Taxation Office for gross wages, PAYG withholding and superannuation
2. Office of State Revenue NSW for NSW payroll tax
3. State Revenue Office Victoria for Victorian payroll tax
4. Workcover NSW for NSW workers compensation
5. Worksafe Victoria for Victorian workers compensation

Each department has their own guidelines, wages manual and case law setting out what needs to be reported to them. We have compiled the attached Instruction Pack A to provide some of the basics that an employer needs to refer to, to ensure they comply with the current requirements of the 5 departments. It is 143 pages in total and only includes some selected extracts from the various department websites.

What our Working Group is proposing is to adopt a simplified method – refer attached instruction pack B, which is 3 pages.

Our proposal would see all wage registrations, reporting and payments completed once, through the ATO. The ATO can then distribute the money to the other departments. Employers would no longer be tied up trying to interpret different legislation, working out which department to send payments to and having to answer questions from consultants engaged in the event of an audit by one or more of the departments trying to understand how they arrived at their wages figures.

Based on my own dealings with clients, I estimate that 95% of “wages” can be picked up from the gross wages and superannuation figures reported to the ATO. (BAS & Super Clearing House now and

possibly Single Touch Payroll going forward). If this was all that was required, it would be a relatively straight forward process for businesses. I also believe that 95% of the time taken by a business to report the correct wages to the correct department can be eliminated if this simplified approach was taken.

I have included the email trail below of various people we have made contact with in the past to try and progress our proposal in case you identify a contact that you would like to discuss the proposal with further.

Please give me a call if you want to discuss this further as I am more than happy to be involved with the work you are doing at the moment to reduce red tape for businesses.

Regards



**From:**

**Sent:** Wednesday, 21 March 2018 4:14 PM

**To:**

**Cc:**

**Subject:** FW: Proposal to improve reporting of wages for employers

Hi

As discussed yesterday, Albury RAC & the Cross Border Working Group have been working on a proposal that sounds similar to what NSWBC is also preparing in relation to simplifying payroll tax and workers compensation reporting/administration for businesses.

The following emails set out the information we have distributed to various people over the last few years on our journey to find the most appropriate person/group to work with to develop this further. The email at the bottom of the chain sets out the context for putting the various attachments together.

We now believe we have found the right person to help progress this and have had some discussions with John Shepherd, Assistant Commissioner at the ATO who is involved with the Single Touch Payroll rollout. John has advised that the ATO is rolling out STP in 3 phases. It is Phase 3 that we have some similar objectives and believe that working together could deliver a positive outcome for businesses with employees.

You mentioned that you have a meeting this Monday to discuss your proposal further, so feel free to use any of the material we have put together if you believe it adds value. In our original attachments, the idea to use the wages on Business Activity Statements could be replaced with using wages from STP systems, however the concept is the same.

It would be great if we could arrange a teleconference with NSWBC, Cross Border Working Group and John Shepherd from the ATO to discuss how we can coordinate our efforts to achieve the outcome we are all working towards.

Please give me a call on 02 6023 9100 when you get a chance to discuss this further.

Regards



**From:**

**Sent:** Thursday, 29 June 2017 8:57 PM

**To:**

**Subject:** FW: Proposal to improve reporting of wages for employers

Hi

Thanks for taking the time out of your busy schedule to visit us in Albury today

As discussed, this is the background information we have put together to try to streamline reporting of wages for employers.

Hopefully we can make some progress with the ATO on this, as the potential time savings for business, as well as the potential cost savings for the NSW & Vic governments could be significant.

If you wish to discuss this further, please give me a call.

Regards

**From:**

**Sent:** Wednesday, 28 June 2017 4:19 PM

**To:**

**Subject:** FW: Proposal to improve reporting of wages for employers

Hi

As discussed, this is the email and supporting workpapers that we have put together to try to amalgamate employers reporting obligations for BAS, payroll tax and works comp.

Please give me a call if you have any queries.

Regards

**From:**

**Sent:** Friday, 3 March 2017 2:18 PM

**To:**

**Cc:**

**Subject:** FW: Proposal to improve reporting of wages for employers

Hi

Thanks for your presentation today for the Murray Hume Business Enterprise Centre.

Further to the question that I raised with you about the reporting of payroll tax and workers compensation on the BAS as a mechanism for cutting red tape for businesses, please find set out below an email sent to the NSW treasurer following a meeting last August.

The Cross Border Commissioner, James McTavish is also pursuing this matter as it was raised as part of our cross border working group, which he chairs. He has been making progress with this and may have already spoken with you about it, however I thought I would take the opportunity to put it in front of you again.

Please feel free to contact me if you wish to discuss this further.

Regards



**From:**

**Sent:** Monday, 29 August 2016 3:32 PM

**To:**

**Cc:**

**Subject:** FW: Proposal to improve reporting of wages for employers

Hi

As discussed at lunch today with Gladys, please find attached the proposal we have been working on as part of our role with the Cross Border Commissioner.

What we have prepared is two instruction packs for employers to extract the information from a typical payroll system and calculate their obligations for payroll tax and workcover under Option A) the current method, or Option B) our proposal.

Whilst trying to show the difficulties that businesses on the Border have with the duplication of registrations and reporting for payroll tax and workers compensation purposes, I believe we have the opportunity to put forward a suggestion that would dramatically reduce the time and cost for all businesses in calculating and paying payroll tax and workers compensation premiums. This is, to use the Business Activity Statement for all reporting.

From a practical point of view, I believe the majority (maybe in excess of 95%) of existing payroll tax and workers compensation premiums could be calculated from the gross wages reported in the current Business Activity Statements + superannuation payments, with very little effort required from the employer. This could remove a significant amount of time (again maybe in excess of 95%) that employers currently spend under the current methods to work out what to include/exclude from wages and in which States to allocate the amounts to.

I have also attached some of the issues that were raised in relation to workers compensation. No doubt there will be further issues raised, however I believe they can be addressed in a similar way to how they were addressed in this document.

Please give me a call if you wish to discuss the proposal further, or require additional information.

Regards



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