

You must assess your eligibility to report and pay GST annually as at 31 July each year. You can't continue to report and pay GST annually if on this date:

- your projected GST turnover meets the GST registration turnover threshold, that is
 - \$75,000 for businesses and other 'enterprises'
 - \$150,000 for non-profit organisations
- you are required to register for GST for some other reason – for example, because you provide taxi travel.

You must advise us if you are no longer eligible to report and pay GST annually. We will then change your GST reporting cycle to monthly or quarterly with effect from 1 July and send you the correct activity statements to lodge.

Working out your projected GST turnover

To estimate your projected GST turnover as at 31 July you need to add:

- the total GST-exclusive price of the taxable and GST-free sales you have made or expect to make for the month of July
- the total GST-exclusive price of the taxable and GST-free sales you expect to make for the next 11 months.

You should not include any sales involving the transfer of ownership of a capital asset of yours, or sales made or likely to be made solely when ceasing or substantially and permanently reducing the size or scale of your enterprise.

See also:

- [Working out your GST turnover](#)

Cancelling your annual election

If you no longer wish to report and pay GST annually, you can revoke your annual election and report GST quarterly or monthly. You must notify us by 28 October to change your reporting requirements for the financial year. Otherwise you will remain on annual reporting for the remainder of the year and your election will be revoked from 1 July of the following year.

We may review your eligibility for the annual election if you are not meeting all of your obligations.

Taxable payments annual report (TPAR)

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/>

- Last modified: 18 Sep 2019
- QC 32057

You may need to lodge a *Taxable payments annual report* (TPAR) by 28 August each year if you are a:

- business providing
 - [building and construction services](#)
 - [cleaning services](#) for contractor payments from 1 July 2018 (first report due by 28 August 2019)
 - [courier services](#) for contractor payments from 1 July 2018 (first report due by 28 August 2019)
 - [road freight services](#) for contractor payments from 1 July 2019 (first report due by 28 August 2020)
 - [information technology \(IT\) services](#) for contractor payments from 1 July 2019 (first report due by 28 August 2020)
 - [security, investigation or surveillance services](#) for contractor payments from 1 July 2019 (first report due by 28 August 2020)
 - [mixed services](#) (a business that provides one or more of the services listed above)
- [government entity](#).

The TPAR tells us about payments that are made to contractors for providing services. Some government entities also need to report the grants they have paid in a TPAR.

Contractors can include subcontractors, consultants and independent contractors. They can be operating as sole traders (individuals), companies, partnerships or trusts.

The details you need to report about each contractor are generally found on the invoice you should have received from them. This includes:

- their Australian business number (ABN), if known
- their name and address
- gross amount you paid to them for the financial year (including any GST).

We use this information to identify contractors who haven't met their tax obligations.

Mixed services

If your business provides one or more of the relevant services listed above, you may need to lodge a TPAR.

Each financial year, you'll need to work out what percentage of payments you receive are from any of the above services.

If the total payments are 10% or more of your GST turnover (or if you are primarily in the building and construction industry) – you must lodge a TPAR.

Even if you are not registered for GST, you'll still need to check if you need to lodge

a TPAR. All businesses have a GST turnover, regardless of whether or not they are registered for GST.

Examples of the types of mixed businesses that may need to lodge a TPAR include:

- florists
- building maintenance
- franchisees and retailers
- event management.

Select your business type from this list and use our three-step guide to work out if you need to lodge.

- [Cleaning](#)
- [Couriers](#)
- [Road freight](#)
- [IT](#)
- [Security, investigation and surveillance.](#)

Find out about:

- [Work out if you need to report](#)
- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)
- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

See also:

- [Legislation supporting material](#)
- [Business industry code tool](#)
- [التقرير السنوي عن المدفوعات الخاضعة للضريبة](#) (Arabic)
- [應稅款項年度報告](#) (Traditional Chinese)
- [应纳税款年度报告](#) (Simplified Chinese)
- [Ετήσια δήλωση φορολογητέων πληρωμών](#) (Greek)
- [과세 대상 지급 연례 신고서](#) (Korean)
- [करयोग्य भुक्तानीको वार्षिक प्रतिवेदन](#) (Nepali)
- [Informe anual de pagos imponibles](#) (Spanish)
- [Báo cáo hàng năm khoản thanh toán chịu thuế](#) (Vietnamese)

Work out if you need to report

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments->

[annual-report/Work-out-if-you-need-to-report/](#)

- Last modified: 20 Dec 2018
- QC 55378

Some businesses need to report information to us about the payments they make to contractors for services.

Additionally, government entities at the federal, state and territory levels need to report the total grants paid and payments they make to certain other entities. Local government entities don't need to report grants.

This information must be reported to us on the *Taxable payments annual report* (TPAR).

Follow the links below to work out if you need to lodge a TPAR. You may need to check the way you currently record your contractor payment information to ensure you can complete your report accurately and lodge it on time.

Find out about:

- [Building and construction services](#)
- [Cleaning services](#)
- [Courier services](#)
- [Road freight services](#)
- [IT services](#)
- [Security, investigation or surveillance services](#)
- [Government entities](#)

Building and construction services

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/Building-and-construction-services/>
- Last modified: 07 Mar 2019
- QC 51593

If you're running a business primarily in the building and construction industry, you will need to lodge a *Taxable payments annual report* (TPAR) if you:

- make payments to contractors for building and construction services, and
- have an Australian business number (ABN).

Payments made to [employees](#) are not included in your TPAR.

You need to report these payments to us on the TPAR by 28 August each year.

Activities and services considered to be building and construction are broad.

Some examples include architectural work (including drafting and design), certification, decorating (including painting), engineering, landscaping and construction, project management and surveying. Check our list of [examples of building and construction services](#) to see whether your business activities and the services you pay for are included.

Media: Taxable payments reporting for building and construction (webinar recording)

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubtcts8o> ^{EQ} (Duration: 29:11)

On this page:

- [When is a business 'primarily in the building and construction industry'?](#)
- [What are building and construction services?](#)

See also:

- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)
- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

When is a business 'primarily in the building and construction industry'?

You are considered to be a business that is primarily in the building and construction industry if any of the following apply:

- in the current financial year, 50% or more of your business income is earned from providing building and construction services
- in the current financial year, 50% or more of your business activity relates to building and construction services
- in the financial year immediately before the current financial year, 50% or more of your business income was earned from providing building and construction services.

Example: Business primarily in the building and construction industry

FS Builders earns all of its income from building commercial properties for its clients. FS Builders is primarily in the building and construction industry as 50% or more of its income is from providing building and construction services.

It is required to report the total payments it makes to contractors for providing building and construction services.

Example: All business activity in building and construction

ABC, a property developer, has purchased a block of land in the Melbourne city precinct and intends to build apartments. ABC has created a separate entity, Upmarket Apartments Pty Ltd, to manage the project and construction of the apartments.

Upmarket Apartments is required to report payments to contractors for providing building and construction services because 50% or more of its business activity relates to building and construction services.

Example : Not all income from building and construction

Scott's Cabinet Makers Pty Ltd is a business that makes and installs custom-made kitchen cabinets, which is a building and construction service activity. It also makes and sells ornamental wooden carvings.

The proportion of income Scott's Cabinet Makers earned from its different activities was:

- 45% from cabinet making and 55% from carvings – for 2015–16
- 60% from cabinet making and 40% from carvings – for 2016–17
- 40% from cabinet making and 60% from carvings – for 2017–18.

Scott's Cabinet Makers is required to report the payments made to contractors in the 2017 income year because it earned 50% or more of its income from building and construction services in that year.

Although it will not earn 50% or more of its income from building and construction services in the 2018 income year, because the financial year immediately before was above 50%, they need to report their payments to contractors in the 2017–18 TPAR.

Example: Mining infrastructure

Black Coal establishes a new mining facility that requires the construction of

a range of infrastructure.

Black Coal contracts Earl's Earthworks to carry out the work. In turn, Earl's Earthworks subcontracts the work.

Black Coal is not required to report its payments to Earl's Earthworks because all of its income is from coal mining. However, Earl's Earthworks, which is carrying on a business primarily in the building and construction industry, is required to report payments it makes to subcontractors.

Example: Retail business providing minor building and construction services

Harry's Hardware is a business that sells building equipment to builders and home owners. For an additional fee, Harry's Hardware can arrange the installation of certain products, such as a skylight. It does not meet either the activity or income tests of being primarily in the building and construction industry.

The store is not required to report payments to contractors who do the installation, because it is primarily in the retail industry rather than building and construction.

Example: Separate entity for building and construction services

Harry's Hardware sets up a separate business entity, Harry's Installation Services, to install the products it sells. Harry's Hardware is not required to report on payments made to contractors, because it is not carrying on a business that is primarily in the building and construction industry.

However, because all of the income for Harry's Installation Services is from the provision of building and construction services (installation of products) it is required to report payments it makes to contractors for such services.

What are building and construction services?

Only report payments you make to contractors for building and construction services.

Contractors can be sole traders (individuals), companies, partnerships or trusts.

The definition of 'building and construction services' is broad – it includes any of the activities listed below if they are performed on, or in relation to, any part of a building, structure, works, surface or sub-surface:

- alteration
- assembly
- construction
- demolition
- design
- destruction
- dismantling
- erection
- excavation
- finishing
- improvement
- installation
- maintenance (excluding the maintenance, service or repairs of equipment and tools)
- management of building and construction services
- modification
- organisation of building and construction services
- removal
- repair (excluding the service or repairs of equipment and tools)
- site preparation.

See also:

- [Examples of building and construction services](#)
- [Examples of buildings, structures, works, surfaces or sub-surfaces](#)

Examples

Example: Paying a subcontractor

Rob's Installation Services (principal contractor) contracts Simon (first-tier subcontractor) to install products. However, as Simon is not coping with the amount of work, he subcontracts some of the work to Bill (a second-tier subcontractor).

Rob's Installation Services needs to report on the payments it makes to Simon.

If Simon is carrying on a business that is primarily in the building and construction industry, he is required to report the payments he makes to Bill.

Examples: Inspections and certifications

J & L Builders was contracted by a property developer to build a 15-storey building. J & L Builders engaged D & R Pty Ltd, to certify each stage of the building work. D & R Pty Ltd followed the project through to the end, carrying out the building inspections and issuing the occupancy permit.

J & L Builders is required to report the total payments it made to D & R Pty Ltd for the inspections and certification.

RS Electrical Pty Ltd is a business that performs work related to the design, installation and maintenance of electrical systems. The company engaged James to inspect the electrical work on a building project and provide electrical certification. The payments they made to James are reportable.

Example: Testing and tagging

LA Plumbing Pty Ltd is a business primarily in the building and construction industry, and has engaged George to test the electrical equipment and tools they use in their business and to tag these. George's business is to test electrical appliances to ensure they are safe.

The payments LA Plumbing Pty Ltd makes to George for testing and tagging their electrical equipment and tools are not reportable because the activity is not a building and construction service.

Example: Equipment hire with or without an operator

An equipment hire store provides plant and machinery for hire to the building and construction industry – for example, bobcats, scaffolding and tippers (commonly known as 'dry hire'). The store can also provide the equipment with an operator (commonly known as 'wet hire') for an additional fee.

A builder who hires a bobcat with an operator (wet hire) needs to report the payment it makes to the equipment hire store because the builder is paying for a building and construction service, not just the equipment hire. Wet hire is a building and construction service.

Cleaning services

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/Cleaning-services/>
- Last modified: 12 Aug 2019
- QC 56821

If you're running a business providing cleaning services (even if it's only part of the services you provide), you must lodge a *Taxable payments annual report* (TPAR) for each financial year that you:

- have an Australian business number (ABN), and
- make any payments to contractors for cleaning services they provide on your behalf.

Payments made to [employees](#) are not included in your TPAR.

If your business provides mixed services, not just cleaning, you may need to lodge a TPAR if the payments you receive for cleaning services make up 10% or more of your total GST turnover.

You must reassess whether you need to lodge a TPAR each year.

Your first TPAR for payments made to contractors from 1 July 2018 to 30 June 2019, will be due by 28 August 2019.

To make it easier to complete your TPAR, you should check the way you currently record information about your payments to contractors.

On this page:

- [What are cleaning services?](#)
- [Businesses providing mixed services](#)
- [Examples – cleaning services](#)

See also:

- [Webinar: Cleaning services – Taxable payments annual report: How to report](#)^{EQ}
- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)

- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

What are cleaning services?

Cleaning services include, but are not limited to, any of the following activities undertaken on a building, residence, structure, place, surface, transport/vehicle, industrial machinery or equipment and for events:

- interior cleaning
- exterior cleaning (except sandblasting)
- carpet cleaning
- chimney cleaning
- gutter cleaning
- road sweeping and street cleaning
- swimming pool cleaning
- park and park facilities cleaning.

'Events' include staging of sporting, cultural, scientific, technological, agricultural or entertainment events and exhibitions.

'Transport/vehicles' includes trains, trams, buses, ferries, airplanes, ships, trucks, cars and other motor vehicles.

Businesses providing mixed services

If cleaning services are only part of the services your business provides, you will need to work out what percentage of the payments you receive are for cleaning services each financial year to determine if you need to lodge a TPAR.

If the total payments you receive for cleaning services are:

- 10% or more of your GST turnover – you must lodge a TPAR
- less than 10% of your GST turnover – you don't need to lodge a TPAR.

You can choose to lodge a TPAR even if you think you don't need to. For example, if you're not sure if your payments for cleaning services will amount to less than 10% of your GST turnover for the financial year you should ensure you are recording the payments you make to contractors anyway. You can still choose to lodge a TPAR even if you're under the 10% threshold.

To work out if you need to lodge a TPAR, use the following three steps:

Step 1: Calculate your total payments received for cleaning services

Add up all the payments your business received for cleaning services during the financial year, regardless of whether an employee or a contractor performed those services on your behalf.

Don't include payments:

- you make to contractors for providing these services on your behalf

- where the cleaning services provided are only ancillary or incidental to the goods or other services your business provides.

Step 2: Calculate your current or projected GST turnover

If you have been operating your business for:

- the full financial year – use your current GST turnover for the year
- less than 12 months of the financial year – you must use your projected GST turnover by working out what your GST turnover will be for the next full financial year.

Your GST turnover is your gross business income (not your profit) excluding any:

- GST you included in sales to your customers
- sales that are not for payment and are not taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

Step 3: Calculate what percent of your GST turnover is from cleaning services

You can calculate this percentage by using the following formula each financial year:

$$\frac{\text{Total payments received for cleaning services} \times 100}{\text{Current or projected GST turnover}}$$

If 10% or more of your GST turnover for the financial year is from cleaning services and you've also made payments to contractors for cleaning services during the year, you must lodge a TPAR.

Examples – cleaning services

The following examples demonstrate the meaning of providing cleaning services and whether or not a business providing these services needs to lodge a TPAR.

Example: A business providing cleaning and other services

Jehan and Bhuvan Building Services (JBBS) has an ABN and provides a range of building maintenance services, including office cleaning.

They use both employees and contractors to perform the office cleaning work.

Their business has been operating for the full financial year so they can use their current GST turnover rather than work out a projected GST turnover amount.

They work out the following amounts for the 2018–19 financial year:

- current GST turnover for JBBS = \$100,000
- total payments received by JBBS for cleaning services = \$10,000
- total payments JBBS paid to contractors = \$5,000
- total payments JBBS paid to employees = \$6,000

To work out if they need to lodge a TPAR, JBBS perform the following calculation:

$\$10,000$ (Total payments received for cleaning services) \times 100 divided by $\$100,000$ (Current GST turnover) equals 10%

JBBS have determined they must lodge a TPAR as the payments they received for cleaning services (\$10,000) represent 10% of its total GST turnover for that year (\$100,000).

They need to report the total amounts (adding up to \$5,000) that they paid to each of their contractors for cleaning services in their 2018–19 TPAR. They don't include the \$6,000 for payments made to their employees because the TPAR is for reporting payments to contractors only, not employees.

Example: A business selling cleaning products and occasionally providing cleaning services

Cleaners & All 123 has an ABN and sells cleaning products. Occasionally, customers that purchase their cleaning products also engage them to provide cleaning services.

Cleaners & All 123 hires contractors to provide the cleaning services for these customers.

At the end of the financial year, if the total payments Cleaners & All 123 receives for cleaning services are 10% or more of their current or projected GST turnover, Cleaners & All 123 must report the payments they make to contractors for cleaning services in a TPAR.

Example: A business providing gardening services

Efficient Gardening Pty Ltd is a business with an ABN that offers gardening services to homes across Australia, such as trimming, hedging and weed control.

Efficient Gardening pays contractors to provide these gardening services on its behalf.

As part of the gardening services Efficient Gardening provide, the contractors sweep and clean clients' verandas and pavements to remove all plant and shrub cuttings, weeds and dirt.

The cleaning services provided are ancillary or incidental to the gardening services, so Efficient Gardening isn't providing a cleaning service and is not required to lodge a TPAR.

Example: A business providing cleaning and other services

Highlight Management Pty Ltd is a business with an ABN that provides a wide range of services including event management, catering, corporate training and cleaning.

Highlight Management has an agreement with an industry association to manage a five day industry forum event. The agreement specifies that Highlight Management will provide and manage the IT equipment for the event venue, provide chauffeurs for high profile attendees, provide daily catering, and ensure the venue is cleaned at the end of each day.

The cleaning services Highlight Management provides are not ancillary or incidental to the other services because Highlight Management was engaged specifically to supply a cleaning service to the industry association as part of their agreement.

Highlight Management engages contractors to provide the cleaning services for the event on their behalf.

At the end of the financial year, if the total payments Highlight Management have received for cleaning services is more than 10% or more of their total current or projected GST turnover they will be required to report payments to contractors that provided cleaning services in a TPAR.

Example: A business that has been operating for less than 12 months

Alphonso Cleaning Agents Pty Ltd is a cleaning agency with an ABN that pays contractors to supply cleaning services to customers in Adelaide. They

have only been operating for 6 months by the time the 2018–19 financial year ends.

Therefore, they are required to determine their [projected GST turnover](#) for the 2019–20 financial year when working out if they need to lodge a TPAR.

Alphonso Cleaning Agents expect their projected GST turnover for 2019–20 will be \$90,000. The payments they received for cleaning services in the 2018–19 financial year amount to \$36,000. This represents 40% of their projected GST turnover for 2019–20.

Therefore, Alphonso Cleaning Agents are required to lodge a TPAR for 2018–19 to report the payments they make to contractors for cleaning services.

Example: A cleaning business only hiring one contractor in a financial year

Clean Faster Pty Ltd has an ABN and supplies cleaning services to clients in Darwin.

Clean Faster has several full-time employees which it uses to provide cleaning services to clients. In the 2018–19 financial year, Clean Faster did not hire any contractors to provide cleaning services, so it's not required to lodge a TPAR in 2018–19.

In the 2019–20 financial year, one of Clean Faster's employees went on maternity leave, so Clean Faster engaged a contractor to fill in and provide cleaning services until that employee returned to work.

Clean Faster is required to report the payments it made to the contractor in a TPAR for 2019–20.

Example: A cleaning business reporting contractor payments for labour and materials

Cleanest Management Pty Ltd is a cleaning business with an ABN that supplies cleaning services.

Cleanest Management is engaged to clean a school and hires a contractor to undertake this work. As part of the agreement, the contractor is required to provide their own cleaning products, for which they on-charge to Cleanest

Management.

At the end of the month, the contractor provides Cleanest Management with a tax invoice for \$3,300 (GST inclusive) for their cleaning services and cleaning products purchased. Over the year, this amounts to payments totalling \$39,600.

Cleanest management will need to include the total amount of \$39,600 when reporting the payments they've made to this contractor on their TPAR.

Authorised by the Australian Government, Canberra

Courier services

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/Courier-services/>
- Last modified: 12 Aug 2019
- QC 56822

If you're running a business providing courier services (even if it's only part of the services you provide) you must lodge a *Taxable payments annual report* (TPAR) for each financial year that you:

- have an Australian business number (ABN), and
- make any payments to contractors for courier services they provide on your behalf.

Payments made to [employees](#) are not included in your TPAR.

If your business provides mixed services, not just courier services, you may need to lodge a TPAR if the payments you receive for courier services make up 10% or more of your total GST turnover.

You must reassess whether you need to lodge a TPAR each year.

Your first TPAR for payments made to contractors from 1 July 2018 to 30 June 2019, will be due by 28 August 2019.

To make it easier to complete your TPAR, you should check the way you currently record information about your payments to contractors.

On this page:

- [What are courier services?](#)

- [Businesses providing mixed services](#)
- [Examples – courier services](#)

See also:

- [Webinar: Courier services – Taxable payments: Introduction](#)[☞]
- [Webinar: Courier services – Taxable payments annual report: How to report](#)[☞]
- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
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- [Resources to help you](#)

What are courier services?

Courier services include activities where items or goods are collected from, and/or delivered to, any place in Australia using a variety of methods, including by car, truck, station wagon, van, ute, motorcycle, motorised scooter, drones, bicycle or other non-powered means of transport, or on foot.

While the mode of transportation can be useful in identifying a courier activity, it's not the only factor to consider.

Courier services are usually door-to-door services that are often used for specialty deliveries or for small parcels or packages. Goods commonly transported using courier services include parcels, packages, letters and food.

If you sell goods and you provide the option of a delivery service, you are supplying a courier service unless the customer doesn't have the option to obtain the goods from you any other way.

Courier services don't include:

- delivery of goods your business provides where delivery is the only method your clients or customers have of receiving the goods
- passenger transport services – for example, buses and taxis
- freight transport – the transportation of bulk or large quantities of items, goods or commodities via rail, sea, air, or road (usually heavy vehicle trucks or larger vehicles) from one location to another. However, from 1 July 2019, if your business provides both courier and [road freight services](#), you must combine the payments you receive for both these services when working out if you need to lodge a TPAR.

If an arrangement with your customer involves providing both goods and courier services, you need to determine whether the courier services are:

- a composite supply of delivering the goods – the delivery is integral, ancillary or incidental to the supply of the goods (and therefore the delivery involved will not constitute 'a courier service'), or

- a mixed supply of courier services and goods – the delivery is a significant component, or could realistically be made as a separate supply and therefore a 'courier service' (excluding the component for goods).

Businesses providing mixed services

If courier services are only part of the services your business provides, you will need to work out what percentage of the payments you receive are for courier services each financial year to determine if you need to lodge a TPAR.

If the total payments you receive for courier services are:

- 10% or more of your GST turnover – you must lodge a TPAR
- less than 10% of your GST turnover – you don't need to lodge a TPAR.

You can choose to lodge a TPAR even if you think you don't need to. For example, if you're not sure if your payments for courier services will amount to less than 10% of your GST turnover for the financial year you should ensure you are recording the payments you make to contractors anyway. You can still choose to lodge a TPAR even if you're under the 10% threshold.

To work out if you need to lodge a TPAR, use the following three steps.

Step 1: Calculate your total payments received for courier services

Add up all the payments your business received for courier services during the financial year, regardless of whether an employee or a contractor performed those services on your behalf.

From 1 July 2019, if your business provides both courier and [road freight services](#), you must combine the payments you receive for both these services when working out if you need to lodge a TPAR.

Don't include payments:

- you make to contractors for providing these services on your behalf
- where the courier services provided are merely ancillary or incidental to the goods or other services your business provides.

Step 2: Calculate your current or projected GST turnover

If you have been operating your business for:

- the full financial year – use your current GST turnover for the year
- less than 12 months of the financial year – you must use your projected GST turnover by working out what your GST turnover will be for the next full financial year.

Your GST turnover is your gross business income (not your profit) excluding any:

- GST you included in sales to your customers
- sales that are not for payment and are not taxable

- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

Step 3: Calculate what percent of your GST turnover is from courier services

You can calculate this percentage by using the following formula each financial year:

Total payments received for courier services × 100 divided by Current or projected GST turnover

If 10% or more of your GST turnover for the financial year is from courier services and you've also made payments to contractors for courier services during the year, you must lodge a TPAR.

Examples – courier services

The following examples demonstrate the meaning of providing courier services and whether or not a business providing courier services needs to lodge a TPAR.

From 1 July 2019, if your business provides both courier and [road freight services](#), you must combine the payments you receive for both of these services in the formula above. If 10% or more of your GST turnover for the financial year is from both courier and road freight services, and you've also made payments to contractors for courier services or road freight services during the year, you must lodge a TPAR.

Example: A take away restaurant charging for some deliveries

Wai's Pizza is a business with an ABN that operates a dine-in and take-away pizza restaurant in Perth. Wai's Pizza also offers a delivery service for customers' orders.

It charges \$10 for deliveries of orders under \$50 in value. Orders valued at \$50 or more are delivered free of charge.

They use contractors to deliver pizzas to customers.

In calculating their total payments received for courier services, Wai's Pizza doesn't include any amount for the delivered orders valued \$50 or more because they didn't receive any delivery fees from those orders.

They have been in business for the full financial year so they can use their current GST turnover for the year.

Wai's Pizza works out the following amounts for the 2018–19 financial year:

- Current GST turnover = \$100,000
- Total payments received for courier services = \$5,000 (delivery fees)

from orders less than \$50).

To work out if they need to lodge a TPAR, Wai's Pizza performs the following calculation:

$$\$5,000 \text{ divided by } \$100,000 \times 100 = 5\%$$

The \$5,000 received in delivery fees represents 5% of their total GST turnover for the 2018–19 financial year, therefore Wai's Pizza don't need to lodge a TPAR.

Example: A business providing courier and other services

Quick Smart Tailors Pty Ltd is a business with an ABN that provides clothing repair and alteration services. They also operate a side business that provides express parcel and letter delivery services for businesses.

Quick Smart Tailors hires couriers to deliver the parcels and letters.

At the end of the financial year, if the total payments Quick Smart Tailors Pty Ltd received for courier services is 10% or more of its current GST turnover, it will need to report the payments it makes to contractors for courier services in a TPAR.

Example: A business providing food delivery services to restaurants

Immediate Food Pty Ltd is a company with an ABN that picks up and delivers food from restaurants to customers. Customers contact the restaurant directly to place orders and the restaurant then uses delivery drivers subcontracted by Immediate Food to undertake deliveries. Immediate Food charges their client restaurants for the services they provide.

Does Immediate Food Pty Ltd have to report?

As Immediate Food is delivering the food to customers on behalf of the restaurants, it is supplying a courier service.

At the end of the financial year, if the total payment they receive for courier services is 10% or more of their current GST turnover, Immediate Food will have to report the total payments they make to each of their subcontractor drivers for courier services in a TPAR.

Do the restaurants that partner with Immediate Food Pty Ltd have to report?

The restaurants that partner with Immediate Food are offering their take-

away customers a choice of picking up their order from the restaurant or having it delivered to them (via Immediate Food).

As a result of this, the restaurants are also supplying courier services when they deliver customer orders via Immediate Food.

At the end of the year, if the total payment they receive for courier services is 10% or more of their current GST turnover, these restaurants will also need to lodge a TPAR to report payments they made to Immediate Food.

Example: Online florist hiring a contractor to deliver flowers to customers

Daisy Bouquet Pty Ltd is an online florist with no shopfront and has an ABN.

Customers purchase flowers from Daisy Bouquet on its website and the flowers are delivered via courier only (with no option for the customer to collect the flowers themselves).

The courier drivers are contractors engaged by Daisy Bouquet.

Daisy Bouquet charges customers a small delivery fee as well as the fee for the flowers when they place an order.

As customers can only obtain the flowers they purchase via delivery, Daisy Bouquet is not supplying a courier service when it sells flowers to customers, even though it charges customers a small fee for delivery. Daisy Bouquet is not required to lodge a TPAR.

Example: A courier business using employees and contractors to deliver products through different modes of transport

In A Hurry Pty Ltd has an ABN and supplies courier services mainly within Melbourne.

In A Hurry needed to send items to customers in Brisbane. To facilitate this, they had their employees pick up the items from their Melbourne warehouse and deliver them to an air freight company, Speedy Air Freight Pty Ltd.

Speedy Air Freight flew In A Hurry's items, along with other freight, to Brisbane. In A Hurry engaged local Brisbane courier contractors to collect the items from Speedy Air Freight and deliver them to the Brisbane customers.

In A Hurry is required to report the payments it made to the contractors that collected the items from Speedy Air Freight and delivered them to the

Brisbane customers in a TPAR.

In A Hurry does not need to report the payments it made to its employees that sent the items to Speedy Air Freight because they are not contractors. The payments made to its employees are for wages and are reported in In A Hurry's pay as you go (PAYG) withholding payment summary annual report.

In A Hurry also doesn't need to report payments it made to Speedy Air Freight because they are supplying an air freight transport service and not a courier service.

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Government entities

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/Government-entities/>
- Last modified: 08 Jul 2019
- QC 48850

Federal, state, territory and local government entities need to report the total payments they make to an entity, wholly or partly, for providing services.

Additionally, federal, state and territory government entities will need to report the total grants paid to people or organisations that have an ABN. Local government entities don't need to report grants.

You need to report details of these payments and grants on the *Taxable payments annual report* (TPAR) by 28 August each year.

Watch:

Are you ready for Taxable Payments reporting for government entities?

Webinar: [Taxable Payments reporting for government entities. Are you ready? (webinar recording)]

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiub4z8iup> (Duration: 24:01)

On this page:

- [Government entities that need to report](#)
- [Government entities excluded from reporting](#)

See also:

- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)
- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

Government entities that need to report

Government entities that need to report include:

- federal government departments
- executive or statutory agencies
- statutory authorities
- state or territory government departments and agencies
- local governing bodies established by or under state or territory law
- government-owned corporations
- organisations that
 - are either established by the federal government, a state or a territory (whether under a law or not) to carry on an enterprise, or established for a public purpose by an Australian law, and
 - can be separately identified by reference to their location or nature of the activities they carry on, whether or not they're part of a department or branch.

Example: Transport Infrastructure Australia Ltd

Transport Infrastructure Australia Ltd is a federal government-owned company incorporated under the *Corporations Act 2001* and represented by shareholder ministers. Its purpose is to construct a new national highway linking regional communities throughout Australia. It has been established by the government to carry on a public purpose and can be separately identified by reference to the nature of the activities it carries on.

It is required to lodge a TPAR if it makes payments or grants covered by this reporting measure.

Example: State Revenue Office

A state's major tax collection agency, the State Revenue Office, is an independent service agency and is located within the state's Department of Treasury and Finance. It has been established by the state for a public purpose and can be separately identified by the nature of its activities, even though it's part of a department.

The State Revenue Office is required to lodge a TPAR if it makes payments or grants covered by this reporting measure.

Example: Partly owned government entity

A local council partly owns a caravan park that is operated by a non-profit organisation. The caravan park pays contractors to maintain facilities, including the pool and gardens.

As the caravan park is partly owned by the local council, it is considered a government-related entity. The caravan park will need to report payments it makes for services in the TPAR.

Government entities excluded from reporting

Some government entities are exempt from lodging a TPAR. However, these exemptions don't apply to departments of the Commonwealth, a state or a territory.

Government entities are exempt if they are:

- providers of education courses
- providers of child care, including registered carers and providers of approved child care services
- hospitals
- providers of medical services
- cemeteries, cemetery boards or authorities
- ministerial councils or related bodies, including those established by the Council of Australian Governments
- Aboriginal land councils
- national law bodies established under laws enacted by the states and territories
- public museums, public libraries or public art galleries
- community associations – for example, parents and friends associations
- industry or professional associations, including registration and licencing boards and advisory councils
- water catchment authorities, catchment councils and natural resource management boards
- trustees of trusts or managers of funds, established for the public benefit or in the public interest
- superannuation funds
- defence force mess halls, canteens, brigades or clubs
- public zoological gardens, public botanical gardens, public parks, public reserves or public alpine resorts
- commissions of inquiry or Royal Commissions

- courts or tribunals
- Commonwealth, state or territory Houses of Parliament
- community-based volunteer emergency services – for example, Country Fire Associations, volunteer fire brigades and State Emergency Services
- entities with the primary purpose of promoting the arts
- entertainment, recreation or sporting venues, including showgrounds, stadiums and racecourses or entities with the primary purpose of managing such venues
- seaports or airports
- prisons, detention centres, remand centres, or corrections offices
- embassies or consular offices.

If an arrangement exists where a government entity that is not exempt, makes payments on behalf of an exempt government entity, then the government entity making the payments is required to report them to us.

Example: Reporting entity making payment on behalf of an exempt government entity

A prison (that is exempt from reporting) engages a contractor to fix plumbing. The payment for the plumbing is made by a state government department to the contractor.

As the state government department is not exempt from reporting, it will need to report the payment in its TPAR.

IT services

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/IT-services/>
- Last modified: 07 Mar 2019
- QC 57697

If you're running a business providing information technology (IT) services (even if it's only part of the services you provide), you must lodge a *Taxable payments annual report* (TPAR) for each financial year that you:

- have an Australian business number (ABN), and
- make any payments to contractors for IT services they provide on your behalf.

Payments made to [employees](#) are not included in your TPAR.

If your business provides mixed services, not just IT services, you may need to lodge a TPAR if the payments you receive for IT services make up 10% or more of

your total GST turnover.

You must reassess whether you need to lodge a TPAR each year.

Your first TPAR for payments made to contractors from 1 July 2019 to 30 June 2020, will be due by 28 August 2020.

To make it easier to complete your TPAR, you should check the way you currently record information about your payments to contractors.

On this page:

- [What are IT services?](#)
- [Businesses providing mixed services](#)
- [Examples](#)

See also:

- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)
- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

What are IT services?

'IT services' include the provision of expertise in the field of information technologies such as writing, modifying, testing or supporting software to meet the needs of a client.

IT services may be performed on site, or remotely through the internet. They include services that support or modify the operation of hardware or software, such as planning and designing computer systems to integrate computer hardware, software and communication technologies.

Simply using IT hardware or software in your business to provide a service (other than an IT service) doesn't make your business a provider of IT services. For example, you would not be 'providing an IT service' just because your business uses software to provide an accounting, project management, or word processing service as part of running your business.

Some examples of IT services include:

- computer facilities management
- computer hardware consulting
- computer network systems design and integration
- computer programming
- computer software consulting
- internet and web design consulting

- IT consulting
- software development
- software installation
- software simulation and testing
- systems analysis
- technical support.

Examples of activities that are not IT services include:

- mass producing computer software (that is, the reproduction of recorded media)
- leasing or hiring computers or other data processing equipment (we consider this to be 'goods and equipment rental and hiring services'). However, if the seller or lessor of the hardware or software modifies the hardware or software for the purchaser or lessee, or develops specific software for them, then those services are an IT service.
- providing data processing services or computer data storage and retrieval services (we consider this to be 'data processing, web hosting and electronic information storage services')
- installing computer cables (we consider this to be 'electrical services').

Businesses providing mixed services

If IT services are only part of the services your business provides, you will need to work out what percentage of the payments you receive are for IT services each financial year to determine if you need to lodge a TPAR.

If the total payments you receive for IT services are:

- 10% or more of your GST turnover – you must lodge a TPAR
- less than 10% of your GST turnover – you don't need to lodge a TPAR.

You can choose to lodge a TPAR even if you think you don't need to. For example, if you're not sure if your payments for IT services will be less than 10% of your GST turnover for the financial year, you should record the payments you make to contractors anyway. You can choose to lodge a TPAR even if you're under the 10% threshold.

To work out if you need to lodge a TPAR, use the following three steps:

Step 1: Calculate your total payments received for IT services

Add up all the payments your business received for IT services during the financial year, regardless of whether an employee or a contractor performed those services on your behalf.

Don't include payments:

- you make to contractors for providing these services on your behalf
- where the IT services provided are only ancillary or incidental to the goods or other services your business provides.

Step 2: Calculate your current or projected GST turnover

If you've been operating your business for:

- the full financial year – use your current GST turnover for the year
- less than 12 months of the financial year – you must use your projected GST turnover by working out what your GST turnover will be for the next full financial year.

Your GST turnover is your gross business income (not your profit) excluding any:

- GST you included in sales to your customers
- sales that are not for payment and are not taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

Step 3: Calculate what percent of your GST turnover is from IT services

You can calculate this percentage by using the following formula each financial year:

Total payments received for IT services × 100 divided by Current or projected GST turnover

If 10% or more of your GST turnover for the financial year is from IT services and you've also made payments to contractors for IT services during the year, you must lodge a TPAR.

Examples

The following examples demonstrate the meaning of 'providing IT services' and whether or not a business providing IT services needs to lodge a TPAR.

Example: Manufacturing and selling computer peripherals and associated software

Compass Drives Pty Ltd has an ABN and manufactures USB thumb drives and hard drives. Compass sells the USB drives to retail stores, which then sell them to consumers.

The manufacture and supply of computer hardware and peripherals for consumers, such as USB drives, is not supplying an IT service.

Compass Drives, therefore, doesn't have to report (on a TPAR) any payments made to contractors who manufacture the USB drives on its behalf.

Compass Drives also engages contractors to write USB drive optimisation software, which Compass Drives then sells separately via its website and

bundles in with its high-end products.

The software being sold by Compass Drives is a product rather than a service being made available to consumers generally. It is not designed for, or in response to, the needs of a client.

Therefore, Compass Drives isn't providing an IT service when it develops this software and isn't required to report (on a TPAR) any payments it may make to contractors who develop this software on its behalf.

Example: A company designing local area networks for large businesses

Whiz Networking Pty Ltd has an ABN and provides the following services to its clients:

- design and implementation of local area networks and intranets
- supply and installation of network hardware and associated cables
- testing services
- ongoing technical support.

Whiz Networking uses contractors to install and test the network hardware, develop, implement and test the intranet, and provide ongoing technical support.

The design, development, installation and testing of local area networks and intranets is an IT service that Whiz Networking provides to its clients.

The ongoing technical support that Whiz Networking provides is also an IT service being provided to clients.

At the end of the financial year, if the total payments Whiz Networking received for IT services is 10% or more of its current or projected GST turnover, it will need to report the payments it makes to contractors for IT services in a TPAR.

Whiz Networking also contracts a company to provide network hardware to its clients on its behalf. The supply of the hardware is not considered to be 'providing an IT service', therefore Whiz Networking isn't required to report payments it makes to this company on the TPAR.

Example: An IT company using both employees and contractors

Goodtime Software Pty Ltd has an ABN and develops accounting software for clients. An accounting firm engages Goodtime to write an accounting software suite tailored to the specific needs of the firm. Goodtime develops this suite for the accounting firm and provides ongoing software patches to fix bugs as they are discovered.

Goodtime is considered to be 'providing an IT service' as the software has been developed for the client based on the outcome for which they contracted with Goodtime. The software was not produced for general sale or distribution. The writing of software patches for this accounting software

is also considered to be 'providing an IT service', as the patch was written to address issues in the accounting software specifically developed for the client.

Goodtime has employees to develop the accounting software and uses contractors to write patches as required.

Goodtime Software Pty Ltd has been operating for the full financial year.

At the end of the financial year, the total payments Goodtime received for IT services is 10% or more of its current GST turnover, meaning Goodtime must lodge a TPAR.

Goodtime:

- doesn't report the payments it makes to its employees as those payments are reported in its pay as you go (PAYG) withholding payment summary annual report
- needs to report (on the TPAR) payments it makes to its contractors writing software patches as they are providing an IT service on its behalf.

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Road freight services

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/Road-freight-services/>
- Last modified: 20 Dec 2018
- QC 57698

If you're running a business providing road freight services (even if it's only part of the services you provide), you must lodge a *Taxable payments annual report* (TPAR) for each financial year that you:

- have an Australian business number (ABN), and
- make any payments to contractors for road freight services they provide on your behalf.

Payments made to [employees](#) are not included in your TPAR.

If your business provides mixed services, not just road freight services, you may need to lodge a TPAR if the payments you receive for road freight and [courier services](#) make up 10% or more of your total GST turnover.

You must reassess whether you need to lodge a TPAR each year.

Your first TPAR for payments made to contractors from 1 July 2019 to 30 June 2020, will be due by 28 August 2020.

To make it easier to complete your TPAR, you should check the way you currently record information about your payments to contractors.

On this page:

- [What are road freight services?](#)
- [Businesses providing mixed services](#)
- [Examples – road freight services](#)

See also:

- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)
- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

What are road freight services?

Road freight services include transportation of freight by road, the renting of trucks with drivers for road freight transport, and road vehicle towing services.

'Transportation of freight by road' is the transport by road of goods, wares, merchandise, material or anything whether in its raw state or natural state, wholly or partly manufactured state, or of a solid, liquid or gaseous nature or otherwise, and/or livestock.

Typically, road freight is used to transport goods in bulk using large vehicles.

Examples include:

- furniture removal services
- log haulage services
- road freight forwarding services
- taxi truck services
- truck hire services (with driver).

Road freight services don't include:

- passenger transport services (such as buses and taxis)
- courier services – however, these services are reportable on the TPAR from 1 July 2018 (see [courier services](#))
- operation of road freight terminals
- providing crating and packing for road freight transport
- leasing or hiring trucks without drivers.

If an arrangement with your customer involves providing both goods and road freight services, you need to determine whether the road freight services are:

- a composite supply of delivering the goods – the delivery is integral, ancillary or incidental to the supply of the goods (and therefore the freight involved will not constitute 'a road freight service'), or
- a mixed supply of road freight services and goods – the delivery is a significant component, or could realistically be made as a separate supply and therefore a 'road freight service' (excluding the component for goods).

Businesses providing mixed services

From 1 July 2019, if your business provides other services, in addition to road freight and [courier services](#), you will need to work out what percentage of the payments you receive are for both road freight and courier services each financial year to determine if you need to lodge a TPAR.

If the total payments you receive for road freight and courier services are:

- 10% or more of your GST turnover – you must lodge a TPAR
- less than 10% of your GST turnover – you don't need to lodge a TPAR.

You can choose to lodge a TPAR even if you think you don't need to. For example, if you're not sure if your payments for road freight and courier services will amount to less than 10% of your GST turnover for the financial year you should ensure you are recording the payments you make to contractors anyway. You can choose to lodge a TPAR even if you're under the 10% threshold.

To work out if you need to lodge a TPAR, use the following three steps:

Step 1: Calculate your total payments received for road freight services and courier services

Add up all the payments your business received for road freight and courier services during the financial year, regardless of whether an employee or a contractor performed those services on your behalf.

Don't include payments:

- you make to contractors for providing these services on your behalf
- where the road freight or courier services provided are only ancillary or incidental to the goods or other services your business provided.

Step 2: Calculate your current or projected GST turnover

If you have been operating your business for:

- the full financial year – use your current GST turnover for the year
- less than 12 months of the financial year – you must use your projected GST turnover by working out what your GST turnover will be for the next full financial year.

Your GST turnover is your gross business income (not your profit) excluding any:

- GST you included in sales to your customers
- sales that are not for payment and are not taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

Step 3: Calculate what percent of your GST turnover is from road freight and courier services

You can calculate this percentage by using the following formula each financial year:

$$\frac{\text{Total payments received for road freight and courier services} \times 100}{\text{Current or projected GST turnover}}$$

If 10% or more of your GST turnover for the financial year is from road freight or courier services and you've also made payments to contractors for road freight or courier services during the year, you must lodge a TPAR.

Examples – road freight services

The following examples demonstrate the meaning of 'providing road freight services' and whether or not a business providing those services needs to lodge a TPAR.

Remember, for road freight services, your first TPAR will be due by 28 August 2020 (for payments made to contractors from 1 July 2019 to 30 June 2020). This must include any payments made to contractors for courier services. If you provide courier services prior to 1 July 2019, you will need to lodge a TPAR sooner (see [courier services](#)).

Example: A business providing road freight services

Longhaul Freight Pty Ltd has an ABN, and has contracts to pick up and deliver bulk groceries from grocery suppliers to supermarket stores. It engages contractors (driver-owners with semi-trailers) to provide this service.

Longhaul is providing a road freight service by transporting bulk quantities of groceries. The contractor drivers, who are moving the freight by road for Longhaul, are providing road freight services on behalf of Longhaul.

Longhaul has been operating for the full financial year.

At the end of the financial year, if the total payments Longhaul Freight Pty Ltd received for road freight services is 10% or more of its current GST turnover, it will need to report the payments it makes to contractors for these services in a TPAR.

Longhaul has also engaged contractors to provide business administration services. These contractors are not engaged to provide road freight services, nor are they engaged to provide a service on Longhaul's behalf. Therefore, payments to these contractors don't need to be reported on the TPAR.

Longhaul has an agreement to transport a consignment of bulk groceries to a supermarket in a remote location. There is only one main road to this location from Longhaul's nearest distribution centre and the road is not suitable for heavy vehicles. Longhaul divides the consignment into smaller loads and engages contractor drivers to transport these smaller loads in vans to the supermarket.

As the agreement between parties was for the transportation of a bulk quantity from one location to another, Longhaul is still supplying a road freight service (not a courier service) even though it transports the groceries in smaller vehicles. The manner of transport does not necessarily change the nature of the service provided. Longhaul is required to report payments made to these contractor drivers, which occur on or after 1 July 2019, in a TPAR.

Example: A freight forwarding business

Rapport Freight Pty Ltd has an ABN and provides freight forwarding services across Australia. Rapport Freight occasionally uses contractors (which supply their own vehicles) to provide freight forwarding services on Rapport Freight's behalf.

Rapport Freight is engaged to transport a large consignment of new cars for a car company. The cars arrive at a port in Fremantle. Rapport Freight uses its contractors to transport these cars via road to the car company's warehouse in Melbourne.

Rapport Freight's transportation of the consignment of cars via road is a road freight service that it supplies to its car company client.

Rapport Freight has been operating for the full financial year.

At the end of the financial year, if the total payments Rapport Freight received for road freight services is 10% or more of its current GST turnover, it will need to report the payments it makes to contractors for these services in a TPAR.

Example: A business providing two relevant services

Big Rig Services has an ABN and provides logistics support to its mining, construction and civil project customers. It provides a few different separate services to its clients.

Big Rig's primary service is transporting heavy earthmoving and mobile plant equipment between project sites. It also offers security services at the sites,

outside of operating hours, to patrol perimeters and guard equipment. These are separate services.

Big Rig engages contractor drivers and contractor security guards to provide these services on their behalf.

Big Rig operates for the full 2019–20 financial year. At the end of 2019–20, the total current GST turnover for Big Rig is \$10 million, of which Big Rig received:

- \$6 million for road freight services
- \$800,000 for providing security services.

Big Rig must report payments for road freight and security services on their TPAR if the amounts they received for each of those services is 10% or more of Big Rig's current GST turnover.

Because the payments Big Rig received for their:

- road freight services are 60%, they must report the payments made to contractors for road freight services on their 2019–20 TPAR
- security services are 8%, Big Rig is exempt from having to report their payments to security contractors made on their 2019–20 TPAR.

Example: A business providing courier and road freight services

Transport Traders Pty Ltd has an ABN and transports a wide variety of goods in bulk quantities for other businesses. It also has a separate business that provides parcel delivery services. Transport Traders, therefore, supplies both road freight and courier services.

Transport Traders regularly engages contractors (who provide their own vehicles) in both the road freight and courier parts of its business to transport bulk goods and deliver parcels for Transport Traders' clients.

In the 2018–19 financial year, the total current GST turnover for Transport Traders is \$5 million. This consists of \$4.55 million received for its bulk goods transport business (road freight services) and \$450,000 for its parcel delivery business (courier services).

Transport Traders does not need to report payments to contractors for road freight services in the 2018–19 financial year because the taxable payments report system to road freight services applies only to payments made from 1 July 2019.

The payments that Transport Traders receives for courier services in 2018–19 are 9% of its current GST turnover for the year, so Transport Traders is exempt from reporting payments to courier contractors it made in 2018–19.

In the 2019–20 financial year, Transport Traders works out that:

- the current GST turnover for Transport Traders is \$7 million

- amounts received for road freight services is \$6.4 million
- amounts received for courier services is \$600,000.

As road freight and courier service are counted as one category for TPAR reporting, Transport Traders must add together the total amounts received for road freight and courier services. If the combined amount is 10% or more of their total current GST turnover for 2019–20, they must report payments to contractors for both road freight and courier services on their TPAR.

Transport Traders work out that total payments received for road freight and courier services is 100% of their current GST turnover for 2019–20.

Therefore, Transport Traders must report the payments it makes to contractors who provide these services on its behalf.

Authorised by the Australian Government, Canberra

Security, investigation or surveillance services

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Work-out-if-you-need-to-report/Security,-investigation-or-surveillance-services/>
- Last modified: 07 Mar 2019
- QC 57699

If you're running a business that provides security, investigation or surveillance services (even if it's only part of the services you provide) you must lodge a *Taxable payments annual report* (TPAR) for each financial year that you:

- have an Australian business number (ABN), and
- make any payments to contractors for security, investigation or surveillance services they provide on your behalf.

Payments made to [employees](#) are not included in your TPAR.

If your business provides mixed services, not just security, investigation or surveillance services, you may need to lodge a TPAR if the payments you receive for those services make up 10% or more of your total GST turnover.

You must reassess whether you need to lodge a TPAR each year.

Your first TPAR for payments made to contractors from 1 July 2019 to 30 June 2020, will be due by 28 August 2020.

To make it easier to complete your TPAR, you should check the way you currently

record information about your payments to contractors.

On this page:

- [What are security, investigation or surveillance services?](#)
- [Businesses providing mixed services](#)
- [Examples](#)

See also:

- [Payments and details you need to report](#)
- [Lodging your TPAR](#)
- [Not required to lodge](#)
- [Correcting a lodged report](#)
- [Worksheet and payee information statement](#)
- [Why we collect information about payments to contractors](#)
- [Resources to help you](#)

What are security, investigation or surveillance services?

You may be considered to be providing:

- 'security services' – if the services you provide include patrolling, protecting, screening, watching or guarding any people, premises or property, by any means
- 'investigation services' – if the services you provide include searching inquiries by any means into one or more specific individuals or matters, to determine facts or gather evidence. Although the term 'investigation' may be broad, in this context it relates specifically to 'security' and 'surveillance'. Investigation services involve more than information gathering. Routine record or police checks or telemarketers conducting surveys are not examples of providing investigation services.
- 'surveillance services' – if the services you provide include watching or observing an area or location and monitoring of security systems. These services may overlap with security services as identified above.

Examples of security, investigation or surveillance activities include:

- lock smithing
- burglary protection
- alarm monitoring and response
- armoured car service
- detective agency service
- night watch service
- crowd, event or venue control
- body guarding or close personal protection
- operating a security control room or monitoring centre
- operating security screening equipment (such as prohibited item detectors, x-ray scanners, and explosive trace detection)
- security guard service.

Security, investigation and surveillance services don't include:

- providing police services
- surveillance of country borders
- providing aerial surveying or mapping services
- academic or market research
- manufacture, retail, installation, maintenance or repair of fire alarm systems
- manufacture or retail of security, investigative or surveillance devices (such as security alarms or cameras, or voice recorders)
- providing key cutting/duplication services.

Businesses providing mixed services

If security, investigation or surveillance services are only part of the services your business provides, you will need to work out what percentage of the payments you receive are for security, investigation or surveillance services each financial year to determine if you need to lodge a TPAR.

If the total payments you receive for security, investigation or surveillance services are:

- 10% or more of your GST turnover – you must lodge a TPAR
- less than 10% of your GST turnover – you don't need to lodge a TPAR.

You can choose to lodge a TPAR even if you think you don't need to. For example, if you're not sure if your payments for security, investigation and surveillance services will amount to less than 10% of your GST turnover for the financial year you should ensure you are recording the payments you make to contractors anyway. You can choose to lodge a TPAR even if you're under the 10% threshold.

To work out if you need to lodge a TPAR, use the following three steps:

Step 1: Calculate your total payments received for security, investigation or surveillance services

Add up all the payments your business received for security, investigation or surveillance services during the financial year, regardless of whether an employee or a contractor performed those services on your behalf.

Don't include payments:

- you make to contractors for providing these services on your behalf
- where the security, investigation or surveillance services provided are only ancillary or incidental to the goods or other services your business provided.

Step 2: Calculate your current or projected GST turnover

If you have been operating your business for:

- the full financial year – use your current GST turnover for the year
- less than 12 months of the financial year – you must use your projected GST turnover by working out what your GST turnover will be for the next full

financial year.

Your GST turnover is your gross business income (not your profit) excluding any:

- GST you included in sales to your customers
- sales that are not for payment and are not taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

Step 3: Calculate what percent of your GST turnover is from security, investigation or surveillance services

You can calculate this percentage by using the following formula each financial year:

Total payments received for security, investigation and surveillance services
× 100 divided by Current or projected GST turnover

If 10% or more of your GST turnover for the financial year is from security, investigation and surveillance services and you've also made payments to contractors for those same services during the year, you must lodge a TPAR.

Examples

The following examples demonstrate the meaning of 'providing security, investigation or surveillance services' and whether or not a business providing those services needs to lodge a TPAR.

Example: A business providing alarms and monitoring and response services

Response Now Pty Ltd has an ABN and provides the following services:

- sales and installation of security alarms and cameras to entertainment venues
- alarm monitoring services
- on-call rapid response teams for significant crowd control situations.

The provision and installation of security alarms and cameras, alarm monitoring services, and crowd control services are each separate services that are not ancillary or incidental to each other. Response Now must consider whether these three separate services constitute relevant supplies.

The sale and installation of alarms is not a relevant supply. Just supplying and installing a security device does not amount to providing security or undertaking surveillance or investigation. However, alarm monitoring and crowd control services are a supply of a security, investigation or surveillance service because they involve watching or protecting individuals, premises or property.

Response Now is therefore required to report payments they make to contractors that provide alarm monitoring or crowd control services on their behalf, which occur on or after 1 July 2019, in a TPAR (unless a reporting exemption applies).

Response Now is not required to report any payments made to contractors that sell or install the security alarms and cameras on their behalf.

Example: A business that has been operating for less than 12 months

Jared and Ismail operate a business, with an ABN, that supplies security services. They hire contractors to provide security services to small businesses on their behalf.

Jared and Ismail's business has been operating for 5 months by the end of the 2019–20 financial year. Therefore, they must use the business's projected GST turnover for 2020–21 to calculate the percentage of payments received for relevant services.

Jared and Ismail project their business's GST turnover for 2020–21 to be \$300,000. The payments their business has received for security services in 2019–20 total \$36,000.

As their payments for relevant services are not less than 10%, a reporting exemption does not apply. Jared and Ismail must report payments their business has made to security contractors in 2019–20.

Authorised by the Australian Government, Canberra

Payments and details you need to report

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Payments-and-details-you-need-to-report/>
- Last modified: 20 Dec 2018
- QC 51596

You must report the payments you actually made for the financial year.

The basic details you need to record about each of your payees are the same for everyone, but the payments you need to report on your *Taxable payments annual report* (TPAR) depend on whether you are a business or a government entity.

On this page:

- [Payments businesses need to report](#)
- [Payments businesses don't need to report](#)
- [Payments and grants government entities need to report](#)
- [Payments government entities don't need to report](#)

Payee details you need to report

The details you need to report about your contractors are generally contained in the invoices or grant applications you receive from them.

The details you need to report for each payee include the:

- ABN (where known)
- name (business name or individual's name)
- address
- total amounts for the financial year of the
 - gross amount paid (including GST plus any tax withheld)
 - total GST you paid them
 - total tax withheld where ABN was not quoted.

Additionally, if you are a government entity, you will also need to report:

- whether a *Statement by a supplier* was provided
- details of any grants paid to people or organisations that have an ABN, including the
 - date the grant was paid
 - name of the grant or grant program.

When you receive an invoice, check that the ABN on the invoice matches the ABN on your record for that contractor. Ensure you create a new contractor record if necessary. Where a contractor's ABN changed during the year, you will need to include each ABN for that contractor in your report.

You can check your contractors' details including ABN, name and GST registration to confirm they are correct by using [ABN Lookup](#)^{external link} on the ABR website or the [ATO app](#).

Depending on whether you lodge the paper form or lodge online, we may ask you to include additional information where it is known to you. This additional information may include the contractor's phone number, email address and bank account details (where they are paid by electronic bank transfer).

See also:

- [Statement by a supplier not quoting an ABN](#)
- [Taxable payments annual reporting specification](#)^{external link} for online reporting – This includes information about all the data fields to report and also explains how a shared service entity can lodge the report on behalf of a government entity.

Payments businesses need to report

You need to report payments made to contractors for certain services.

If you are a business supplying:

- [building and construction services](#) – report payments you made to contractors for building and construction services
- [cleaning services](#) – report payments you made to contractors for cleaning services
- [courier services](#) – report payments you made to contractors for courier services
- [road freight services](#) – report payments you made to contractors for road freight services
- [IT services](#) – report payments you made to contractors for IT services
- [security, investigation or surveillance services](#) – report payments you made to contractors for security, investigation or surveillance services.

If an invoice you receive from a contractor includes both labour and materials, whether itemised or combined, you must report the total amount of the payment, unless the labour component is only incidental.

Payments businesses don't need to report

There are some payments you don't report on the TPAR. These include:

- [Payments for materials only](#)
- [Payments for incidental labour](#)
- [Unpaid invoices as at 30 June each year](#)
- [PAYG withholding payments](#)
- [Payments within consolidated groups](#)
- [Payments for private and domestic services](#)

Payments for materials only

You are not required to report payments if the invoices are for materials only.

If you pay a contractor for invoices for both materials and labour, and at other times pay the same contractor for materials only, it can be difficult to work out the payments made for materials only. In this situation, you can choose to report all the payments you make to this contractor.

Incidental labour

Where invoices you receive have amounts for both materials and labour, you can exclude the labour amount if it is incidental to the supply of the materials.

A payment for labour is considered to be incidental if the labour component is immaterial to the actual supply of the material.

Example: Incidental labour component

Kevin purchases a stock of new taps from Harry's Hardware to install in a commercial building. Harry installs one tap by way of demonstration, so that Kevin knows how to install the rest.

Harry's Hardware invoices Kevin for the taps and includes a small amount for the labour to demonstrate the installation. Kevin does not need to report the payment he makes to Harry's Hardware because the labour component of installing the tap is incidental to the supply of the materials.

Example: Not incidental labour component

An electrical business provides labour and materials for various electrical applications.

A builder pays the electrical business for the supply and installation of wiring in a commercial fit-out he is managing.

As the provision of the installation service is a building and construction activity and more than incidental to the supply of materials, the builder will be required to report the total payment made to the electrical business. The builder is carrying on a business that is primarily in the building and construction industry.

Unpaid invoices as at 30 June each year

Only report payments that have been paid on or before 30 June each year.

For example, if you receive an invoice in June but you don't pay that invoice until sometime in July, you will report that payment in the next financial year (the year in which you actually paid it).

PAYG withholding payments

Report pay as you go (PAYG) withholding payments in your *PAYG withholding annual report* or through single touch payroll, not your TPAR. Examples include payments to:

- employees
- workers engaged under a voluntary agreement to withhold
- workers engaged under a labour-hire or on-hire arrangement. This includes a labour hire firm that hires workers under a labour-hire arrangement to provide services.

- foreign residents for work performed in Australia. These payments are generally subject to PAYG foreign resident withholding. (If the payments are not subject to PAYG withholding, then you need to report them in the TPAR).
- foreign residents for work performed overseas.

Contractors who don't quote an ABN

If an ABN isn't provided, you must withhold under the PAYG withholding arrangements.

You can report these amounts withheld in either the:

- TPAR, or
- *PAYG withholding where ABN not quoted – annual report.*

Only report this information in one of these annual reports, not both.

See also:

- [PAYG withholding and labour-hire firms](#)
- [Withholding from payments to foreign residents for construction and related activities](#)
- [When a business doesn't quote its ABN](#)

Payments within consolidated groups

If you're in a consolidated, or multiple entry consolidated group for income tax purposes, you don't need to report payments you make to another member of that same group.

This is because members of a consolidated group, or multiple entry consolidated group, are effectively taxed as a single entity. You only need to report payments to contractors for services who are outside the consolidated group.

Example: Payments to contractors within a consolidated group

Brick Co and Paint Co are both members of the same consolidated group for income tax purposes.

Brick Co provides building services and makes a payment to Paint Co for painting its building project. Because Paint Co and Brick Co are in the same consolidated group, Brick Co won't have to report on the payment made to Paint Co for the provision of painting services.

However, Brick Co will have to report on payments made to entities outside the consolidated group for the supply of building and construction services.

Payments for private and domestic projects

You don't need to report if you are:

- an individual not running a business and you make payments to contractors for services – for example, if you are a homeowner building or renovating your own home
- a business making payments to contractors for services for private purposes – for example, cleaning your own home.

If the work is in relation to carrying on a business, the amounts paid to the contractors for this work need to be reported. These are payments for which businesses can claim a tax deduction (for example, payments to contractors).

Example: Homeowner paying for building and construction services

Kristyn, who has an ABN for the purposes of running a bookkeeping business, manages the construction of her new home and makes payments directly to the contractors.

Kristyn won't be required to report payments she makes to contractors because she is undertaking the activity in a domestic capacity, not as a business.

John is a builder and runs SF Builders as a sole trader. He is currently doing renovations on his own house and has engaged ML Carpets to handle the installation of new carpet.

As this renovation is private and not part of John's or SF Builders' business, the payments he makes to ML Carpets are not reportable.

Example: Mixed personal and business payments in the cleaning industry

Svetlana is a sole-trader with an ABN who runs her own cleaning agency.

Clients contact her asking for their homes and offices to be cleaned. Svetlana keeps a list of contract cleaners she engages and pays for each cleaning job.

Svetlana asks one of these contractors to clean her own home and pays the contractor for this from her personal bank account.

Svetlana is required to report the payments made to contractors that undertake cleaning services for her clients. However, Svetlana is not required to report the payment made to the contractor for cleaning her own home, as this is a payment made by Svetlana in her private capacity and not as part of her business.

Example: Land owner paying a project manager

Maya owns land and has engaged a project manager George to manage the development of a building on her land.

Maya's business activity is purchasing and selling property. Maya is not carrying on a business primarily in the building and construction industry, and therefore is not required to report payments she makes to George.

Example: Payments to property managers

Jim only purchases properties for rental purposes and engages a property manager. Jim is not required to report the payments he makes to the property manager because he is not carrying on a business that is primarily in the building and construction industry.

Susan is a property manager and pays a plumber to fix a burst water pipe on a property. The property manager's business activity is managing investments, they are not considered to be a business that is primarily in the building and construction industry. As a result, Susan doesn't need to report the payments made to the plumber.

However, if Susan creates a separate entity to manage the building maintenance of the property, this entity will need to report the payments to the plumber – this is because the separate entity is considered to be primarily in the building and construction industry.

Payments and grants government entities need to report

As a government entity, you need to report:

- [Payments, wholly or partly, for services](#)
- [Grants paid to people or organisations that have an ABN](#)

If you are a local government entity you are not required to report grants.

You are not required to provide recipients of payments or grants any details of the information reported. However, you can choose to provide them with the details if you wish.

Payments, wholly or partly, for services

You need to report payments you make, wholly or partly for services. This includes payments you make to overseas suppliers and governments.

If invoices you receive include both goods and services, whether itemised or combined, you report the whole amount of the payment, unless the supply of the services is incidental to the supply of goods.

Services can include actions that:

- a business performs
- may provide assistance to you or help you
- may be performed on goods or in conjunction with the supply of goods

- are performed in the course of trade or commerce
- are generally performed under a contract, but not an employment contract.

Example : Sunshine Meadows Council

Sunshine Meadows Council, a local governing body, orders 1,700 black pens from an office supply company and pays an additional fee for delivery. Delivery of the pens constitutes a service. However, since this service has been provided incidentally to the provision of the goods, it does not need to be reported.

Example: Councillor sitting fees and allowances

City Council, a local governing body, pays a councillor meeting attendance fees and allowances for services they provided to the council. City Council does not apply the PAYG withholding provisions to these payments.

Payments to the councillor are considered to be payments wholly or partly for services and need to be reported in City Council's taxable payments annual report

Example: Property management services

Department ABC uses the services of an external property manager, Property Fix Services Pty Ltd to undertake various property management functions.

Payments to Property Fix Services Pty Ltd are considered to be a payment wholly or partly for services and needs to be reported.

Example: Property manager engaging contractors – paying from own funds

Property Fix Services Pty Ltd (who is paid by Department ABC) engages contractors to provide property management services. Property Fix Services Pty Ltd pays the contractors from their own funds. Property Fix is not a government entity and therefore not required to lodge an annual report.

Example: Property manager engaging contractors – paying from government entity funds

Department ABC requests major changes to one of their buildings managed by Property Fix Services Pty Ltd. Department ABC puts funds into a bank account they operate which is available to Property Fix Services Pty Ltd to pay for works and contractors.

Payments to these contractors are considered to be from Department ABC and need to be reported in the department's annual report.

See also:

- [Payments government entities don't need to report](#)

Grants paid to people or organisations

Local government entities are not required to report grants.

Federal, state and territory government entities only need to report grants paid to people or organisations that have an ABN. This includes grants that are paid to non-profit organisations that have an ABN.

You don't need to report grants paid to individuals who don't have ABNs and grants paid to other government entities.

Grants can take a variety of forms and include subsidies, rebates, sponsorships and similar arrangements.

Some factors that indicate a transaction is a grant include:

- grants may be explicitly tied to a government policy or goal
- grants may be disbursed on a one-off or longer-term basis, but are not provided as ongoing, permanent funding
- recipients are usually required to submit applications to receive grants
- grants typically, but do not always, have conditions attached, such as reporting obligations or the requirement to include government logos on marketing materials
- unlike loans, grants typically don't have to be repaid.

You can refer to your jurisdiction's financial management guidance on what grant programs are currently considered to be grants. For example, federal government entities may refer to the *Commonwealth grants rules and guidelines*.

If multiple grant payments were made:

- under the same grant program name, to the same business in a financial year, each payment may be reported separately or added together. If added together, the date of the grant payment can be reported as the end of the relevant financial year (for example, 30 June 2018).
- under different grant programs to the same business in a financial year, the total of the payments made in the relevant financial year under each program name must be reported separately.

Example : Small business acceleration program

A state government Department of Industry administers a small business acceleration program. This program involves a series of grants and rebates paid to small businesses in the state to promote investment in business and support the economy. To be eligible for the program, small businesses must apply to the Department of Industry, carry on a business in the state and

meet certain selection criteria.

Fresh Paws Pty Ltd, a dog washing business located in the state, applies for a grant under the program. As part of its application, Fresh Paws provides its ABN and other documents to meet the conditions of the grant program. Fresh Paws meets the eligibility criteria and is successful in receiving the grant. The Department of Industry must report this grant on the TPAR.

Tech Specialists Pty Ltd, a business teaching computer skills to the elderly located in the state, purchases five tablet computers for use in its business. It applies for a rebate under the program for the cost of the computers. As part of its application, Tech Specialists provides its ABN and includes the invoices as proof of its expense. Tech Specialists meets the eligibility criteria and is successful in receiving the rebate. The Department of Industry must report it on the TPAR.

XYZ Business Pty Ltd receives \$1,000 in grants in the financial year ending 30 June 2018 and this amount is made up of \$500 from Grant Program A and \$500 from Grant Program B. The amounts of \$500 must be reported separately under their respective grant program names in the report.

Payments government entities don't need to report

You don't need to report payments that are:

- for goods only, which includes any form of tangible property
- made to other Australian government entities
- made electronically by
 - BPAY®
 - recurring direct debit
 - credit or debit card
 - third-party payment processors facilitating any of these methods

- for telephone and internet services
- for electricity, water, sewerage or gas
- for transportation of employees, including airfares, taxi fares, train or bus fares or fares for water transport
- for insurance
- for accommodation in commercial premises – for example, rent payments
- for accommodation in a hotel, motel, inn, hostel, boarding house, caravan park or camping ground
- for a lease of goods
- for the creation, grant, transfer, assignment or use of a right under licence, for example, a licence to use a software product
- for financial supplies, for example, bank fees
- for membership to a professional association or body
- for services relating to court or tribunal functions, like payments to jurors, witnesses or advocates for minors.

You should speak to your software provider on how best to exclude these payments from your report. However, we will accept these types of payments if it imposes an increased administrative burden to exclude them.

Unpaid invoices as at 30 June each year

Only report payments that have been paid on or before 30 June each year. For example, if you receive an invoice in June but you don't pay that invoice until sometime in July, you will report that payment in the next financial year (the year in which you actually paid it).

PAYG withholding payments

Report pay as you go (PAYG) withholding payments in your *PAYG withholding annual report* or through Single Touch Payroll, not your TPAR. Examples include payments to:

- employees
- workers engaged under a voluntary agreement to withhold
- workers engaged under a labour-hire or on-hire arrangement. This includes a labour hire firm that hires workers under a labour-hire arrangement to provide services.

Payees who don't quote an ABN

If an ABN isn't provided, you must withhold under the PAYG withholding arrangements.

You can report these amounts withheld in either the:

- TPAR, or
- *PAYG withholding where ABN not quoted – annual report*.

Only report this information in one of these annual reports, not both.

See also:

- [PAYG payment summary – withholding where ABN not quoted](#)

Lodging your TPAR

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Lodging-your-TPAR/>
- Last modified: 27 Jun 2019
- QC 51597

Your *Taxable payments annual report* (TPAR) is due by 28 August each year. Penalties may apply for not lodging your annual report by the due date.

If you're a business you can:

- [lodge online](#)
- [lodge a paper form](#).

If you're a tax professional you can lodge [online](#).

- If you're a government entity you must [lodge online](#).

The TPAR will not be accepted and cannot be lodged in formats such as photocopied forms, scanned images of forms, screen prints, spreadsheets or word processing files (for example .pdf, .doc, .xls, .jpg, .tiff).

See also:

- [Correcting a lodged report](#)
- [Failure to lodge on time penalty](#)

Lodging online

Lodging online is a quick and secure way to meet your reporting obligation. It ensures you complete the report correctly (using inbuilt checks) and provides you with an online confirmation once your report is lodged.

Using business software

If you have business software that can create a TPAR data file to the required [specifications](#)[□], you can lodge online through either:

- the ATO Business Portal, using the [file transfer](#) function
- directly through your business software if it is [Standard Business Reporting](#)[□] (SBR)-enabled.

You will receive validation and a confirmation receipt that the report has been lodged.

Government entities cannot lodge via SBR-enabled software.

If you don't have business software

If you don't have business software that offers TPAR, you can still lodge online through:

- ATO online services for individuals and sole traders – select 'Tax' then 'Lodgments' then 'Taxable payments annual report'.
- the ATO Business Portal – select 'Online forms' from the menu then 'Taxable payments annual report'.

Note: To access the ATO Business Portal you must have:

- an [AUSKey](#), or
- a myGov login – Before you can do this, your ABN must be connected to your myGov account (see [Manage ABN Connections](#)).

See also:

- [Online services](#)
- [Business Portal](#)^{EQ}

Lodging online - tax professionals

Tax agents and BAS agents can lodge the TPAR for their clients through Online services for agents.

Online services for agents allows you to:

- view your client's outstanding TPARs in the 'For action' screen, or under 'Lodgments'
- confirm previous lodgments in the history section
- lodge TPARs for your clients through the online form, removing the need to lodge by paper.
- If you've previously lodged using file transfer or via SBR-enabled software you can continue to do so.

See also:

- [Online services](#)
- [Online services for agents](#)
- [Tax Agent Portal](#)^{EQ}
- [BAS Agent Portal](#)

Watch:

How to lodge your TPAR online

Media: [How to lodge a taxable payments annual report online]
<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiub3y69ty>^{EQ} (Duration: 3:37)

Lodge a paper form

If you're a business and unable to lodge online, you can order the *Taxable payments annual report* form (NAT 74109) online or by phoning our publications ordering service. Don't use copies of this form you've printed or photocopied yourself – you must use the coloured forms we've printed and you've ordered from us or we have sent to you.

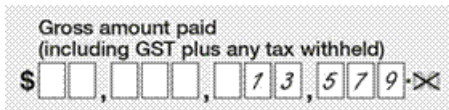
Government entities cannot lodge using the paper form and must lodge online.

The paper form allows businesses to report up to nine contractors. If you have more than nine contractors, you will need to order more than one form.

When completing the form:

- check that you have entered the correct amounts at the correct labels
- don't include cents
- don't add zeros or any other marks in boxes that are not required.

For example, if the total amount you paid a contractor during the year was \$13,579.60, ignore the cents and show the amount as follows.



Gross amount paid
(including GST plus any tax withheld)
\$ [][], [][][], [] 1 3 , 5 7 9 . ✕

Only complete the Total tax withheld where ABN not quoted field if you have withheld an amount because a contractor did not provide you with their ABN. Do not include any other amounts in this field. If you did not withhold, leave this field blank.

Next steps:

- [Taxable payments annual report instructions and sample form](#)
- [Order ATO publications](#)

Not required to lodge

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Not-required-to-lodge/>
- Last modified: 12 Jun 2019
- QC 51598

If you are not required to lodge, you can let us know so that we can update our records and to avoid unnecessary follow up.

Businesses

Complete the online form *Taxable payments annual report – not required to lodge* if your business provided:

- building and construction services where either
 - you're no longer primarily in the building and construction industry
 - you didn't pay contractors for building and construction services
- cleaning services where either
 - the total of payments you received for cleaning services for the financial year is less than 10% of your current or projected GST turnover

- you haven't paid any contractors for cleaning services
- courier or road freight services where either
 - the total of payments you received for courier and road freight services for the financial year is less than 10% of your current or projected GST turnover
 - you haven't paid contractors for courier or road freight services
- IT services where either
 - the total of payments you received for IT services for the financial year is less than 10% of your current or projected GST turnover
 - you haven't paid contractors for IT services.
- security, investigation or surveillance services where either
 - the total of payments you received for security, investigation and surveillance services for the financial year is less than 10% of your current or projected GST turnover
 - you haven't paid contractors for security, investigation or surveillance services.

Note:

For IT services, road freight services and security, investigation or surveillance services, the *Taxable payments annual report – not required to lodge* form does not need to be lodged before 1 July 2020.

If your main business activity no longer matches the industry type you selected when you registered your business, you must update your ANZSIC business activity and industry code details on the Australian Business Register and include your correct main business activity on your next tax return.

Reporting the main business activity correctly ensures we can correctly identify the industry you are in and send you the information you need.

Next step:

- [Taxable payments annual report – Not required to lodge](#)

See also:

- [Update your details](#)
- [Update your ABN details](#) [↗] on abr.gov.au

Government entities

Government entities don't need to lodge a Taxable payments annual report (TPAR) if they are exempt from reporting.

If your government entity didn't make any payments to contractors for services, or pay any grants to recipients who have an ABN, you should complete the *Taxable payments annual report – Not required to lodge* online form.

Next step:

- [Taxable payments annual report – Not required to lodge](#)

See also:

- [Government entities excluded from reporting](#)

Correcting a lodged report

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Correcting-a-lodged-report/>
- Last modified: 10 Jul 2019
- QC 51599

After lodging your *Taxable payments annual report* (TPAR), you may find some information you've reported is incorrect or you need to add a new payee.

You need to tell us if you:

- provided incorrect amounts in any of the amount fields – Total GST, Gross amount paid or Total tax withheld where ABN was not quoted
- provided an incorrect ABN or name in the payer or any of the payee fields
- need to add a new payee

If you are a government entity, you also need to let us know if you provided an incorrect grant name.

You don't need to tell us if the only items wrong are payer or payee addresses or phone numbers.

On this page:

- [Correcting amounts reported](#)
- [Correcting ABN or name](#)
- [Adding a new payee](#)

Correcting amounts reported

If any amount fields (Total GST, Gross amount paid or Total tax withheld where ABN was not quoted) have been reported incorrectly, you'll need to provide an amended TPAR. The amended report needs to include the:

- ABN, name and address details for the affected payee exactly the same as in the original report
- corrected amounts.

Only include in the amendment the affected payees where the amounts reported need to be corrected. Complete all the payee fields for these payees and show the amounts as they should have been reported.

How to lodge an amendment

If your report was lodged online using business software that offers TPAR, you can generate an amended report using your software. Contact your software provider for further advice on how to generate an amended report.

If your report was not lodged online using business software that offers TPAR, you can amend the report via:

- the TPAR online form available through ATO online services for individuals and sole traders or the ATO Business Portal. To amend
 - select History
 - select Lodge/Amend
 - select the financial year using the dropdown
 - at Payee details select Add
 - select Payee amendment
 - type in all the information
 - when you have completed all the information select the declaration then Submit

- the paper form *Taxable payments annual report* (NAT 74109). Mark the 'amending an annual report' field with an 'X' and send the amended annual report form to the address on the front of the form.

Tax and BAS agents can lodge TPAR amendments for their clients through Online services for agents.

Next steps:

- [Lodging online](#)
- [Order ATO publications](#)
- [Online services for agents](#)

Correcting an ABN or name

If your original TPAR included one or more incorrect ABNs, names (for either the payer or payee) or grant names, you do not submit an amended report.

You can correct this by sending us the following information:

- your ABN
- your name
- your contact details (email address and/or phone number so that we can contact you if any information needs to be checked)
- the year of the annual report you want to be corrected (for example, 2018 TPAR)
- the payee and/or payer details that were reported and need to be corrected
- the payee and/or payer details as they should have been reported
- for government entities, the correct grant name
- the reason for the change or explanation of how you made the mistake.

Next step:

Send it to us:

- online using the ATO portals' message function
 - once you have logged into the ATO portal, select 'Mail' from the menu.
 - to send a message, select topic 'Debt and lodgment' and subject 'Taxable Payments Annual Report'
- by post to
Australian Taxation Office
PO Box 3575
ALBURY NSW 2640

See also:

- [Business Portal: send and view mail](#)
- [BAS Agent Portal: mail and messaging](#)
- [Tax Agent Portal: portal mail](#)
- [Online services for agents](#)

Adding a new payee

To add a new payee, you need to lodge another TPAR including all the information for the new payee.

Next steps:

- [Lodging your TPAR](#)

Worksheet and payee information statement

- <https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Worksheet-and-payee-information-statement/>
- Last modified: 20 Dec 2018
- QC 51601

A worksheet and payee information statement is available to help you when recording information for the *Taxable payments annual report* (TPAR).

Worksheet for businesses

The worksheet is designed to help businesses record details of payments you make to contractors for services, particularly if you keep manual records. You can use the details you've recorded in this worksheet to complete your TPAR. The worksheet is for your records only – don't send this to us.