



Australian Government  
Australian Taxation Office

# Single Touch Payroll

# ABSIA Annual Conference

Presented by  
Jason Lucchese

CLASSIFICATION – UNCLASSIFIED



## Progress update as at 17 October 2019

**500k+**

Employers now reporting



**77K+**

(97%)

substantial employers

**423K+**

(56%)

small employers

Information displayed for

**11.1M+**

individuals in



**11M+**

payevents



# Delivering STP in partnership with the software industry



# Supporting small employer transition



Easy access to be able to request more time or an exemption if needed



Quarterly reporting through an agent for micro employers until 30 June 2021



Quarterly reporting for eligible micro employers:

*Seasonal/intermittent  
Agriculture, fishing, forestry  
Not-for-profit clubs and associations*



Low/no-cost solutions available at \$10 or less per month for micro employers. With a range of solutions available to suit all needs and digital capability.

***To consider – how will your STP solution support quarterly reporting?***



# The data quality journey

## Tax Time 2019 – for such a huge change, the majority “got it right”

Over 18.9 million records have been finalised *including*:

- 10.8 million income statements and;
- 8.1 million payment summaries

98.5% individuals STP data is finalised

### Our engagement approach:

1. We identify the issue

2. Check if it's common?

3. Our approach

#### Issue with solution design:

We work directly with the DSP

Key approach is the

- Assurance Framework
- PVT for Phase 2

#### Issue with user/employer error (facilitated by the solution):

We work with the DSP to support the development of guidance to try and reduce the error

#### Where it's an issue with user error

(user/employer mistake):

We work directly with the employer to help them understand and “get it right”

## What the data is telling us

**82%** of pay events lodged have **not** triggered any Health Check rules



- Most STP reports are lodged on time
- Most SG obligations are paid on time
- Most PAYGW is paid on time



We can now see:

- Employers who are not paying their superannuation guarantee contributions or making late payments
- Large withholder payment patterns
- Earlier visibility of under reporting of PAYGW on activity statements
- Earlier visibility of employers dropping “out of the system”



# Diagnostic rules

One of our most effective rules to monitor data quality is to reconcile the period based amounts reported by an employer on the parent form to the derived values reported on child forms for employees within the same period.

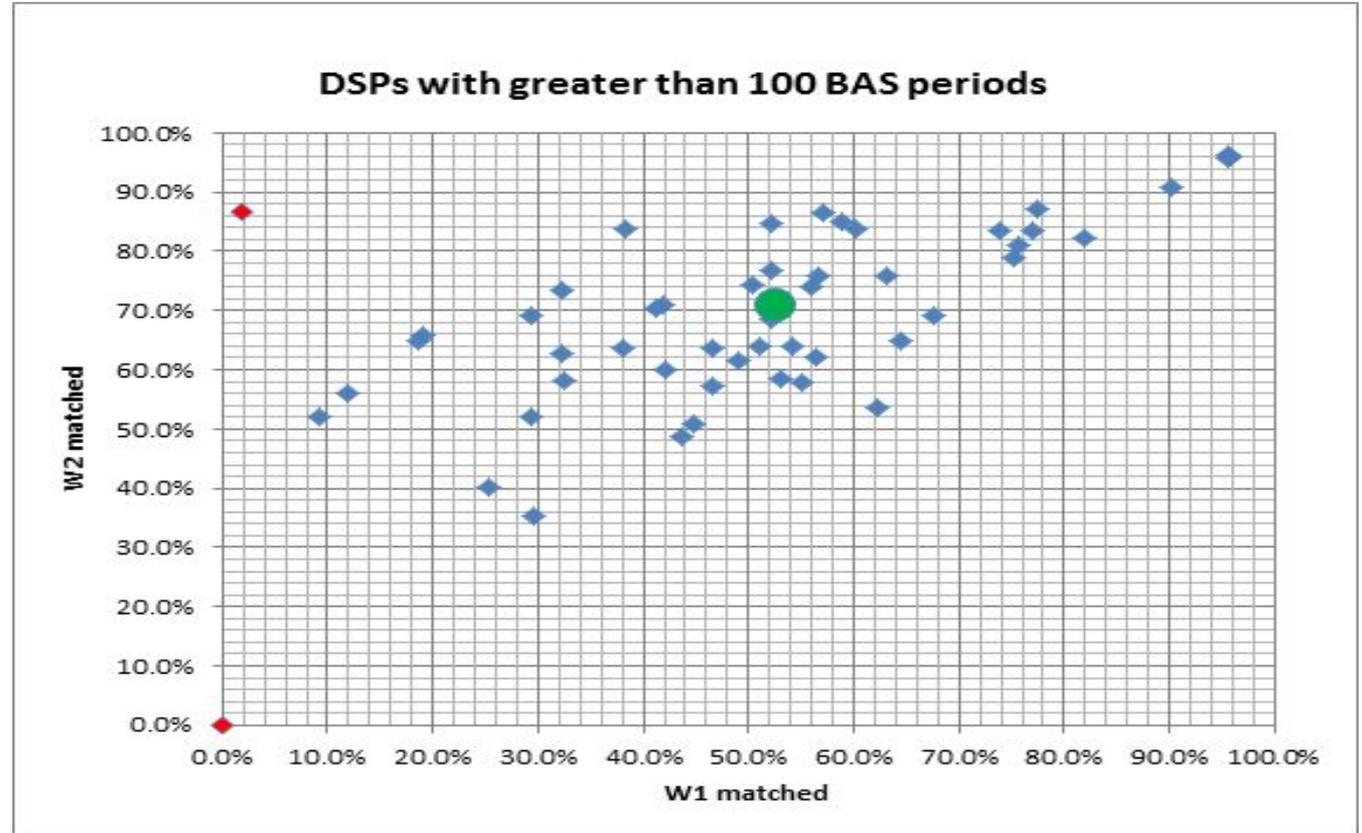
These rules will also be used to provide a confidence level for BAS prefill.





# Diagnostic rules – a DSP lens

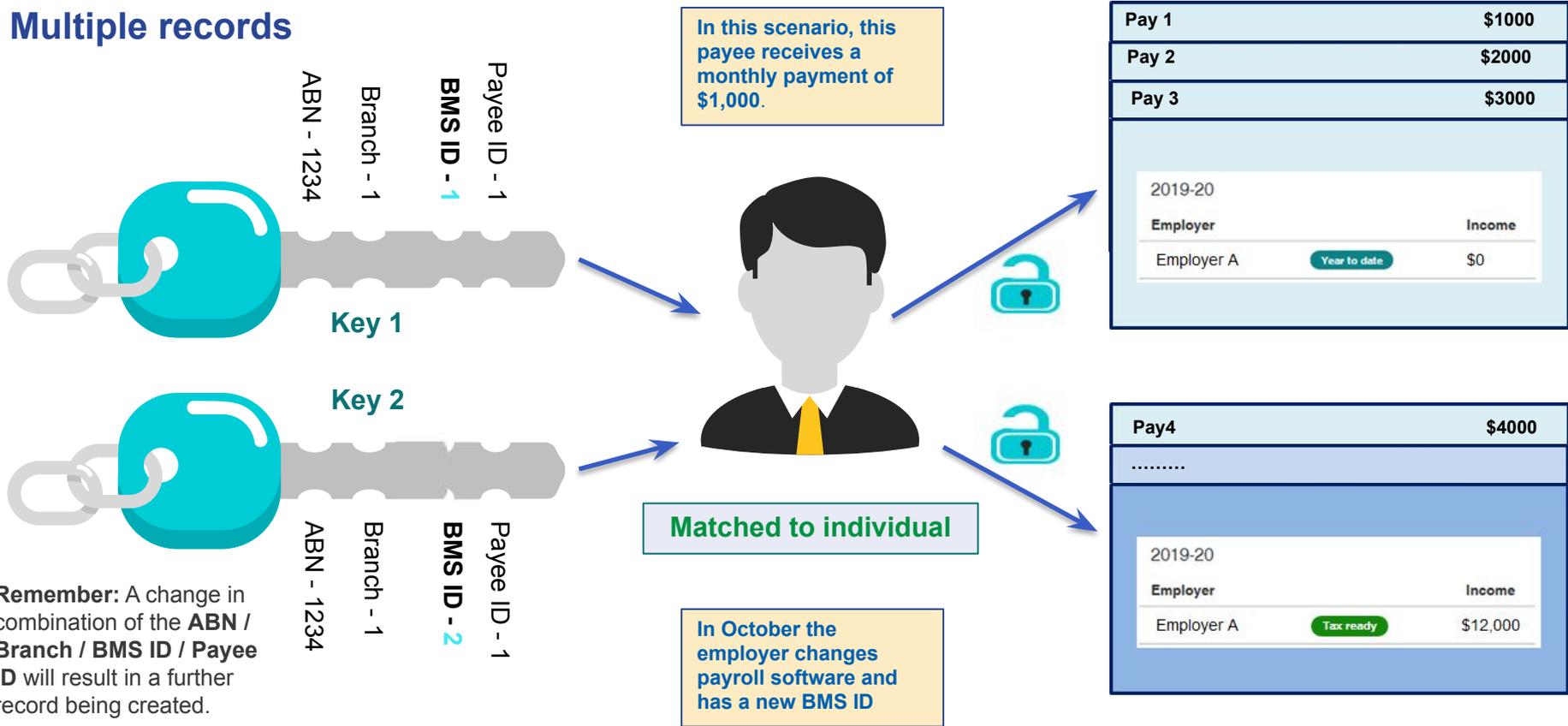
Applying a DSP lens to our diagnostic rules enables us to identify DSPs that may have issues with the solution design.





# Data quality – what we are seeing

## Multiple records



**Remember:** A change in combination of the **ABN / Branch / BMS ID / Payee ID** will result in a further record being created.

# Phase 2 key changes



**Disaggregation of Gross**



**Adding Separation Reason**



**Reporting by income type**



**Adding Child Support Agency deductions**



**Replace TFND Services**



**Reporting previous BMS ID's and payroll ID's**



# Phase 2 timeline



Soft Launch

Mandated start date\*



2019

2020

2021

Publish draft position paper and data structure table

Face to face Draft BIG walk-thru Q&A

Publish draft Schema, MST & Validation Rules (Dec)

EVTE

Final BIG published

BIG review

\*Not mandated for employers using a low cost solution

# Key messages



**We will continue to work with you through:**

**We will use the Phase 2 pay event to not only capture additional data for DHS, but to:**

**Over the coming months STP data will start being used as intended:**

**Assurance process**

**Consultation**

**Engagement**

**Implement design improvements and guidance**

**Implement learnings from Phase 1**

**For compliance activity**

**Sharing across Government**