

5 February 2020

Small Business Entities and Industry Concessions Unit
Treasury
Langton Cres
Parkes ACT 2600

Dear Manager, Small Business Entities and Industry Concessions Unit,

RE: Submission to Single Touch Payroll Reporting - Child Support Information Consultation

The Australian Business Software Industry Association (ABSIA) welcomes the opportunity to submit to the *Single Touch Payroll Reporting - Child support information* consultation.

ABSIA actively represents the interests of the local business software industry and its stakeholders. ABSIA and our members have worked closely on the Single Touch Payroll initiative since its inception and continue to be involved in current and future phases of the program.

We have collated member feedback about the addition of voluntary reporting of child support deductions and child support garnishee amounts to STP reporting. The main feedback includes:

1. The ATO should consult the insolvency industry about the potential impacts. Introducing these changes could make it difficult for liquidators and/or administrators to retrieve this information and/or split it up between deductions and garnishee amounts.
2. Mandating an employer identifier within payments “goes against” other industry processes including SuperStream and other modern payment identification methods. Where an employer outsources child support payments to DHS via a Managed Payroll Services or gateway/clearing house, the DHS PRN (receipting) currently insists that payments must contain an employer identified that is not their ABN. This number must be their own 12 digit ID with a 4 digit payment reference number.
3. Mandating ATO communications channels is overly restrictive. The ATO currently does not communicate by email due to privacy concerns, and does not allow the use of other external third party systems as they insist on parties using their secure channels.
4. Bi-direction data flows will not be easy for the industry to implement and will be required for this addition to STP reporting to truly work. When it comes to introducing bi-directional data sharing, the industry will need to be given sufficient resources and time to make these changes and support this functionality.

5. There is a lack of understanding within industry, of the full STP journey and the benefits involved. This needs to be communicated more broadly to ensure it is well understood.

ABSIA would be more than happy to participate in further conversations. Should you require additional information about this submission, please contact Karen Lay-Brew, ABSIA Director and Head of Government Partnerships - karen.lay-brew@absia.asn.au.

Yours faithfully,

Simon Foster
Vice President
ABSIA.