Key Outcomes

Title:	PLS working group – key outcomes
Issue date:	26 November 2020
Venue:	WEBEX
Event date:	24 November 2020 **Start:** 1:00pm **Finish:** 2:00pm

Chair:	Danielle Miller	**Facilitator:**	Danielle Miller
Contact	Sonya Summers	**Contact phone:**	02 47257383

Attendees: names/section	ATO – Danielle Miller, Danny Figueiredo, Anupama Duggirala, Sangitha Sivayogaraj, Laura Ostberg, Andrew Holloway, Julie Rowland, Carl Bennett, Angela Hucker, George Grespos, Julian Wilson, Glenn Cooper. Industry – Jack Wee (Catsoft), Simon Smart, Misha Ali (Etax), Sandeep Gopalan (GovReports), Scott Reid, Michael Tong, Mike Behling, Christine Savva (MYOB), Kevin Johnson, (Reckon), Darin Carter, Saiful Larry (Sage), Charudatta More (Sparken), Linda Kerhoulas, Jing Wu, Shane Paxton (Thomson Reuters), Mark Walmsley (Walmsley Business trust), Andrew Sprankling, Kelvin Newton (Xero).
Apologies: name/section	David Baker, Mike Denniss, Sha Sha (Class Super), Lex Edmonds (MicroTax), Andrew Smith (MYOB), Andrew Noble (Noble Accounting), Nathan Kerr (One-Click), Steven Ivanopoulos (Reckon), Michael Wright (Sage), Karl Farrand, Ian Stuart (Taxlab), Paul Siriwidana, Krunal Patel (Thomson Reuters) Dillon Tsotsis, Lisa Kim, Robert Xie, Danna Zhang, Daniel Leong (Wolters Kluwer), Rosemary Missier (Xero).

Next meeting	8 December 2020

Agenda item: 1 – Welcome and general business

Danielle welcomed the group and advised that Expressions of Interest were open for the Strategic Working Group and DSP Architecture Reference Group for 2021.

Danny Figueiredo provided a couple of updates on follow up items from the Services for Tax Practitioners event:

- All Reckon's TT2020 tickets have all had updates, except one. Their account manager will continue to follow up and provide updates. Specific details on outcomes cannot be provided to the broader group due to commercial sensitivities.
- TPAR NLA function will not be able to go into the current 2020 or the new 2021 TPAR service as the build work has already been done. The Non-lodgment Advice (NLA) function will go into a separate service. More information will follow as part of the normal service delivery documentation.
- As each business owner sets the PVT requirements for their service, the DPO is still working to determine if PVT is required for DSPs transitioning to the new TPAR service. Consideration is being given to the complexities associated with this. DSPs picking up the service for the first time in SBR2, however, will be required to PVT.

Agenda item: 2 – Action item updates

Updates were provided for outstanding action items. (see action items)

Agenda item: 3 – Tax time-related documentation

Legislative changes resulting from the latest Budget announcement will be incorporated into the respective paper forms. We expect that we will be able to start publishing the updated draft forms and instructions in the next few weeks.

Work is underway on updated BIGs for the IITR and IITR pre-fill services – we are expecting they won't be ready for publishing until late January 2021.

Agenda item: 4 – Delivery update

Overview of the 2020 Q4 deployment occurring on the weekend of **4 December**:

- STP Phase 2 Payevent - note the go-live date is January 4th, 2021
- Retrieve copy of 2020 IITR via the lodgment service (LDG)
- CRS deployment - note the cutover from schema v2 to schema v3 is on January 2nd, 2021
- Payment Plan suite of services
- SBR2 platform defect fix - removal of duplicate mime parts in response messages. The issue currently occurs in SRP and BBRP. This defect was expected to cause

significant issues if not fixed prior to the deployment of the Client Communication services

All of the above are currently in EVTE with artefacts published.

A summary of the EVTE release planned for **12 December**:
- IITR and Non-Individual Tax return services - includes first draft of artefacts and EVTE codes
- FBT XML version - code deployment in EVTE. Early draft of MST already available on sbr.gov.au

Other updates:
- LCMSF v3 update is planned to be available in EVTE in February 2021, we are currently developing an early draft MST to be published in December, with the date to be confirmed.

Agenda item: 5 – Platform update

All systems are currently stable with no issues to report.

This Tax Time saw a significant increase in transaction volumes across all wholesale platforms (SBR1, SBR2 and BDE) while maintaining 99.5% availability. There was 50% growth compared to the same time last year:

- 19 million IITR submissions between July and October
- 27 million MAATS transactions in October alone

Anu thanked the DSPs for their support during Tax Time.

Q4 release is going live on 4 December, and all teams are working on operational readiness activities.

Agenda item: 6 – Div 293 DSP alerts

The Div 293 alerts were initially presented to the group in February 2020. Agent feedback has been that the alerts are very useful, but they would like to see more consistency.

Iterative improvements are planned:
1. Make alerts mandatory, create consistency
2. Develop an estimator/calculator

Agents advised that some DSPs already provide a calculator tool functionality in their software.

Request for intel: If any members of the group are willing to provide intel on any Div 293 estimator/calculator tools they have in place now or, on the baseline functionality they would like to see in an ATO calculator, please contact your account manager or the DPO and we will arrange for the business area to contact you directly.

Agenda item: 7 – Flexible lodgment periods

A brief overview of the intent of the flexible lodgments measure was provided. If an obligation is eligible under the program, the due date will remain in place until the lodgement is received, at which time the due date will be updated to the lodgement received date.

The question on impacts to agent lodgment program was taken on notice as the obligations will show as overdue until they are lodged.

Agenda item: 8 – Agent online environment update

The next round of JobKeeper claims will be available from next week.

Quarter 4 deployments are planned for 4/12 to 7/12.

Agenda item: 9 – Temporary full expensing

Initial information for the Temporary Full Expensing (TFE) budget measure was presented at the tax time event on 10 November. Further details of the changes required in income tax returns are being worked through, including the proposed addition of labels to tax returns for individuals (IITR), companies (CTR), partnerships (PTR) and trusts (TTR). This will include the addition of two labels:

- The TFE deduction amount, and
- The number of assets the entity is claiming TFE for.

On 23 November the government announced amendments to the TFE measure to expand eligibility – an additional test will give access to those businesses who have invested in Australian industries.

Note: The TFE legislation has not yet passed.

We are proposing additional questions to allow businesses to 'opt out' of TFE on an asset-by-asset basis (including the number and value of those assets) if they chose to use an alternate method of depreciation.

We are proposing an additional label in the CTR for businesses who meet the alternative criterion to advise their turnover.

An updated change advise will be published shortly.

As a result of the increase in the number of provisions with aggregated turnover eligibility criteria (i.e. TFE, Loss Carry Back (LCB), small business concessions) we are proposing additional labels in the CTR, PTR and TTR to record an aggregated turnover range code. If the aggregated turnover is greater than $1 billion, there will be an additional field to record the amount. Significant Global Entities (SGE) will also be required to advise their aggregated turnover.

The aggregated turnover information would be collected at the end of label 8 on the CTR and in the Business and professional Items schedule on the PTR and TTR – these will then be used to cross-check eligibility for the various measures which rely on aggregated turnover.

Feedback from the group on the proposed changes is welcome.

Agenda item: 10 – DSP feedback

It was identified that the current lists of occupation and business industry codes contain errors/omissions.

The DPO will work with business to have updated lists made available.