Australian Government
Australian Taxation Office

OFFICIAL External

Key Outcomes

Title:	PLS working group – key outcomes		
Issue date:	13 May 2021		
Venue:	WEBEX		
Event date:	11 May 2021	**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, David Baker, Sangitha Sivayogaraj, Anupama Duggirala, Nicole Preissl, Steve Irving, Jason Gunton, Bronwen Arthur. Industry – Jack Wee (Catsoft), Misha Ali, Simon Smart (eTax) Lex Edmonds (MicroTax), Sandeep Gopalan (GovReports), Mike Behling, Scott Reid, Michael Tong, Eli Gomez, Christine Savva (MYOB), Nathan Kerr, Albert Lillie (One-Click), Kevin Johnson (Reckon), Michael Wright, Saiful Larry, Darin Carter (Sage), Chardutta More (Sparken), Linda Kerhoulas, James Barillaro, Alex Jacklin, Nikunj Simariya (Thomson Reuters), Mark Walmsley (Walmsley Family Trust) Danna Zhang, Raihani Rahmat (Wolters Kluwer), Andrew Sprankling, Kelvin Newton, (Xero).
Apologies: name/section	Mike Denniss, Sha Sha (Class Super), Andrew Noble (Noble Accounting), Karl Farrand (Taxlab), Shane Paxton, Krunal Patel, Jing Wu (Thomson Reuters), Dillon Tsotsis, Lisa Kim, Robert Xie, Farah Shaikh (Wolters Kluwer), Rosemary Missier (Xero).

Danielle welcomed the group and advised that IITR granular data FAQs and supporting documents for the consolidation of records for the deductions (2019) and income schedules (2020) will be removed from the Collaboration Hub and Knowledge Base as they have now been included in the IITR BIG.

Agenda item: 2 – Action item updates

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

Agenda item: 3 – Tax time related documentation

No new tax time documentation has been published since the last meeting.

Any documents related to the Budget will be uploaded to the Collaboration Hub.

Agenda item: 4 – New customer verification

Nicole Preissl advised the group that the ATO is working with the Tax Practitioner Board to uplift client verification across the tax profession. Early consultation with the Tax Practitioner Steering Group (TPSG) has raised the possibility of including a prompt in software and in Online Services for Agents at the time of adding a new client to remind agents to verify client identity.

This is a topic for your consideration only at this stage – if you have questions or feedback, please send it through to the DPO via OS4Ds.

Agenda item: 5 – Update on transition of remaining services from XBRL to XML

Steve Irving took the group through the XBRL to XML transition plan for the remaining impacted PLS services. Three services have now been transitioned with areas of improvement within the process identified.

The intention is to make draft documents available as early as possible for review and feedback prior to delivery.

The slides Steve referred to can be found in the pack presented to the DARG on 20 April – see slides 32 to 41.

The conversion roadmap slides provide a fairly aggressive plan for transitioning the remaining services. Other considerations would include DSP workloads as well as legislative changes which would be of higher priority. It is expected that there would be a hard cutover to the new XML versions as running dual services would be problematic due to the complexity of the services.

Feedback is requested from DSPs:

- Is the timeline achievable or is it too aggressive?
- Which order would be the most appropriate for transitioning the services?
- Consider what the conversion timeline should look like

Please provide your feedback by lodging a ticket in Online Services for DSPs by **23 July 2021.**

Agenda item: 6 – IITRPRFL – update for sole traders

Jason Gunton presented an update on the IITRPRFL service which will look at using data better to address the black economy. The real time analytics (RTA) capability for small business tax returns will be similar to what individual have had in place for some time now.

The first iteration of RTA for small business was released in December 2020 into myTax for self-preparing sole traders. Clients who were reporting amounts at Cost of sales and/or total expenses that were significantly outside of the published small business benchmarks were prompted to review their amounts. (Small business benchmarks are published on ato.gov.au)

Work is now occurring to make the current RTA functionality available in the PLS environment. The IITRPRFL business implementation guide has been updated to include this functionality.

How it works:

- information is taken from the business and professional item schedule in the return
  - business name
  - anzsic, business description
  - non-primary production income amounts as well as
  - the cost of sale and expense information
- determine which benchmarks are applicable

Where the amounts reported are above the determined tolerances for the benchmark, we then push a message out advising the preparer that the amounts appear higher than for clients in similar situations and that they should review both the expense and income labels.

It is expected the build for this will be released mid to late June 2021.

Further enhancements to the RTA capability are planned for the 2022 income year where 'nearest neighbour' benchmarks will be included comparing:

- entity type
- location
- age of business, and
- employee numbers, etc

RTA functionality currently exists only for sole traders but in 2022 we will extend this to other entity types.

Agenda item: 7 – Delivery update

Sangitha advised there have been no changes to the May EVTE release which was detailed at the last meeting.

The June release will only consist of Budget changes including rates and thresholds, as well as any defects identified in the May release.

Agenda item: 8 – Platform update

Anu advised that there are currently no issues to report and the platforms are stable.

There was an outage on 6 May where multiple applications experienced issues. A rollback was carried out and systems were subsequently restored. A post-implementation review is still underway.

Last weekend a planned outage was scheduled for updates and patching, however it was extended by four hours to resolve some unexpected issues which arose.

Agenda item: 9 – Agent Online environment update

David Baker advised that there is an ongoing intermittent issue with the client communication history function in OSfAs – a fix has been applied, however isolated problems are still occurring.

A myGovID and RAM maintenance outage is planned for late May. (28 and 29 May).

David flagged the possibility of a discussion at or around the Tax Time event in September on the value-add services and working through which are the top five services DSPs would be interested in picking up.

Agenda item: 10 – DSP Feedback/issues

Danny reminded the group to send through feedback on the proposed changes to the ELStagformat service.

Notes from the session on 13 April are provided below for your reference:

Danny Figueiredo presented proposed updates to the ELStagformat service required as a result of migration to another data centre.

Impact summary – what's going to be different with the ELS Prior Year Service

	Impact to Digital Service Providers	**Impact to Tax Agents**
Volumes (2019-2020)	~11 Digital Service Providers	~15,781 Tax Agents
ELS registration	No impact.	Tax Agents no longer contact the ATO to register for an ELS Approval.
Update ELS registration category	No impact.	Tax Agents no longer contact the ATO to update their ELS registration category.
Technical acknowledgement	No impact – the service will provide a	No impact to Tax Agents.

	EBMS3 technical acknowledgement.	
ELS Validation report	Validation report will no longer be available for ELS forms. No ELSTAG response payload or a standard response that will contain only confirmation of delivery.	Tax Agents will NOT receive an ELS validation report. The ATO will follow up and contact tax agents to resolve any errors out of channel. Agents can verify in OSFA or other services lodgment status.
Form progress requests	No impact.	Forms will be viewable in Online Services for Agents

Two potential options were presented to the group:

Option 1 - Create a new service version of ELSTAG

- The new service interaction will be Fire and Forget. Option for a request reply service
  - the reply would be a standard file indication receipt, NOT an ELS validation report.
- Polling as per normal non-interactive service.
- Normal new service process –EVTE testing and whitelisting.
- On a specified date old version of ELSTAG would be removed (de-whitelisted).
- Allows transition to a new version while the old version is still available

Option 2 - Change the existing ELSTAG service on an agreed date

- On a specified date the ELS Validation report will no longer be returned. This would be a hard cutover to new behaviour on a particular date for all submissions after that date.
- The response payload would be a standard file indication receipt, NOT an ELS validation report. No ELS validation response available
- Current ELSTAG service in EVTE would be updated
  - No requirement to recertify

It is expected that the changes may occur at the end of the calendar year.

DSPs are encouraged to provide **feedback** for the preferred option by raising a ticket in Online Services for DSPs.

No other issues or concerns were raised.