



## Key Outcomes

UNCLASSIFIED External

<b>Title:</b>	Strategic Working Group – Key Outcomes		
<b>Issue date:</b>	16 April 2019		
<b>Venue:</b>	ATO Brisbane – 55 Elizabeth St, Brisbane		
<b>Event date:</b>	19 March 2019	<b>Start:</b> 9:00am	<b>Finish:</b> 4:00pm

<b>Chair:</b>	Martin Mane Karen Lay-Brew	<b>Facilitator:</b>	Martin Mane
<b>Contact</b>	Sonia Lark	<b>Contact phone:</b>	02 47257460

<b>Attendees: names/section</b>	<p>ATO:</p> <p>Michael Rowell - AC, Digital Wholesale Services (DWS) Cameron Sorensen- AC, Debt Strategy and Implementation Mark Stockwell - AC, Business Reporting and Registration Hilary Appleton – Director, e-Invoicing Paul Dwyer – Director, Digital Wholesale Services (DWS) Martin Mane - Director, Digital Partnership Office Tracy Procter – Director, Debt Strategy and Implementation John Melke - Debt Strategy and Implementation Christian Motuzas - Cyber Security Operations Centre Sonia Lark - Digital Partnership Office</p> <p>Industry:</p> <p>Chris Howard – ABSIA, President Karen Lay-Brew - ABSIA Koustubh Bandyopadhyay - Commonwealth Bank of Australia Mike Behling - MYOB Helena Bone - MessageXchange Mike Denniss - Class Limited Emma Dobson - Westpac International Group Simon Foster - Squirrel Street Kevin Johnson - Reckon Kelly Kerr - Attaché Software Anthony Migliardi - Xero Brett Reed - e-PayDay</p>
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	Karl Farrand - TaxLab Michael Wright - Sage
<b>Apologies: name/section</b>	Simon Kert - Director, Forensics and Investigations Michael Karavas -Director, Single Touch Payroll Paul Stasinowsky – Single Touch Payroll Mike Roberts - TaxLab Jack Wee - Catsoft

<b>Next meeting</b>	19 June 2019
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## Agenda item: 1 – Welcome and introductions

Martin Mane welcomed the group, and the new members were introduced.

## Agenda item: 2 – Recap on key pieces of work initiated last year

### DSP Metrics

Martin Mane presented the view of DSP metrics and service transaction and error data to the group. The metrics were well-received, but the group agreed there was more work required to make the reported data more meaningful, particularly around incident management.

Karen Lay-Brew reminded the group to be more problem-solving than technical, and to be mindful of this when considering a dashboard for this group.

The group was also very interested in having the DPO provide more granular data around error-reporting, particularly the numbers of each error type per DSP.

Karen stated that the metrics are meaningful for specific purposes, and to consider what metrics are relevant for the SWG.

### Focus Groups

Due to the time constraints, the members were directed to the slide pack for the overview of each of the current focus group discussions.

## Agenda item: 3 – Payment thinking

Cameron Sorensen provided some context on the continuing discussions around payment thinking strategies to drive the front-end of the system, making it as easy as possible to pay on time. Payment thinking is one of the ATO top four corporate initiatives, and Debt are taking a debt management approach that aspires to have the correct amount of tax paid on time. Small business are responsible for two-thirds of ATO debt, and 92% use the services of a registered agent.

Karen Lay-Brew commented that some small business owners don't understand the status of their business and may not be aware that they need or want advice. The challenge is how to frame the problem.

Simon Foster commented that the ATO is perceived as the 'easiest not to pay' by much of the business community, as many suppliers chase debt very aggressively.

Cameron went on to describe some of the behavioural insights which influence the debt models

## Agenda item: 3 – Payment thinking

which have shown to increase the probability to pay.

Anthony Migliardi suggested that DSPs could use the debt models and insights, alerts, patterns of SMSs, etc., to highlight the debt issues to the agent. He suggested the ATO could 'push' these types of details to the DSP rather than the DSP 'polling' for the information.

Kevin Johnson raised an issue related to Div 293 assessments, and the disparity between due dates for the liability and the timeframe allowed for the superfund to transfer the amounts across. Cameron Sorensen advised these cases were being managed.

Tracy Procter said that the ATO wants to make it as easy as possible for taxpayers to pay the right amount of tax on time. She advised that feedback from taxpayers is they have no visibility of their net tax position, and that improved visibility would assist in managing cash flow. She went on to say that they want to work with DSPs to assist small business using software to:

- See their net position at any time
- Encourage voluntary online payments

Cameron Sorensen made the offer for DSPs to have one-on-one sessions with his team.

DSPs should contact [DPO@ato.gov.au](mailto:DPO@ato.gov.au) if they would like to arrange a session.

**Action item:**  
20190319\_01

**Due date:**  
Wednesday 19 June 2019

**Responsibility:**  
Debt

Debt to provide some data comparing the debt population that utilise software against to those that do not.

**Action item:**  
20190319\_02

**Due date:**  
Tuesday 30 April 2019

**Responsibility:**  
Cameron Sorensen

Cameron Sorensen to provide a communication pack to DSPs regarding strategies for recovery of debts.

**Action item:**  
20190319\_03

**Due date:**  
Wednesday 15 May 2019

**Responsibility:**  
DSPs

DSPs will provide their ideas on how they can facilitate on-time payments in their software. Please email this information through to [DPO@ato.gov.au](mailto:DPO@ato.gov.au).

**Action item:**  
20190319\_04

**Due date:**  
Wednesday 15 May 2019

**Responsibility:**  
DPO

A focus group will be established to look at ways to simplify the payment on time end to end process.

## Agenda item: 4 – Future of e-Invoicing

Mark Stockwell gave a brief overview the benefits of e-Invoicing, the journey so far, and the current work occurring to transition the trans-Tasman framework to PEPPOL.

Hilary Appleton shared some insights gained from the public beta trial:

- ATO needs to ensure sufficient details are provided in the framework to eliminate the possibility of differing interpretations
- Government/Business needs to be ready, as with the PEPPOL environment, access points on-board themselves
- Industry was very co-operative, all participants were invested in making the trial happen easily

A couple of members expressed concerns that the momentum gained through the public beta trial has since been lost.

There are outstanding issues around governance and security which need to be addressed.

The project will now include e-Procurement in addition to e-Invoicing.

Karen Lay-Brew advised that ABSIA has started conversations on learning from the EU on standardised approach to onboarding. She went on to mention that although the Digital Transformation Agency (DTA) is the central agency, they are not involved with implementation. E-Invoicing adoption will be driven through shared servicing. The real benefits to the community will be seen within the broader economy, but there are challenges:

- How do we get business on board?
- How do we get small business on board?

Mark Stockwell went on to provide some further detail around the transition plan from the trans-Tasman framework to PEPPOL.

The PEPPOL framework consists of:

- Documents (eg: invoice)
- Legal framework/Transport infrastructure agreement (TIA)
- 4-corner model

The European PEPPOL meeting should provide further detail on how to apply like-for-like here.

An aggressive target has been determined for the transition to Service Metadata Locator (SML) – 01/07/2019 – this is the earliest possible date, and a number of factors may ultimately mean this target is not attainable.

A ‘gap analysis’ is underway, looking at differences between trans-Tasman invoice data structure v’s PEPPOL BIS billing as we are now subject to OPEN-PEPPOL rules.

The OASIS sub-committee is also looking at invoicing standards.

We will be drafting an Aust/NZ invoice through April/May.

Each access point in the ecosystem is accredited by OpenPEPPOL.

The group was reminded of the upcoming **e-Invoicing forum on 10 April in Sydney**. If unable to attend in person, a livestream option is available.

## Agenda item: 4 – Future of e-Invoicing

**Action item:**  
20190319\_05

**Due date:**  
Tuesday 30 April 2019

**Responsibility:**  
Mark Stockwell

Mark Stockwell will circulate a plan for implementing PEPPOL within Australia and New Zealand.

**Update 16 April:** Australia and New Zealand project teams are working towards the dates announced by the Prime Ministers, intending to have local authorities established by mid-2019 and PEPPOL implementation by the end of the year. Consultation with industry about key features of the PEPPOL implementation in the Trans-Tasman region will commence in May.

## Agenda item: 5 – Security

Christian Mostuzas presented an overview of points to consider when managing risks to data when using a Managed Service Provider (MSP).

1. A dangerous approach to security is to assume someone else is looking after it
2. DSPs need to evaluate the security capabilities of their MSP.
3. DSPs need to consider implementing an incident response and communication plan – time is a major issue when the breach needs to be ‘plugged’.
4. DSPs need to understand the current global risks. Security needs to be constantly reviewed as risks are ever-changing, fast-paced and dynamic.

DSPs were very keen to communicate MSP risk-management awareness more broadly, as focus group details are not filtering out to the broader DSP community. (Eg: newsletters, training sessions, through ACSC)

**Action item:**  
20190319\_06

**Due date:**  
Wednesday 19 June 2019

**Responsibility:**  
DPO/ABSIA

The DPO will work with ABSIA to communicate appropriate and targeted risk-management information to the broader DSP community.

## Agenda item: 6 – Single Touch Payroll

### Micro-employers

Michael Karavas discussed some detail around DSPs providing a low-cost STP solution for micro-employers (1-4 employees):

- Reduced data-set to help limit the cost to developers
- Micro-employers only need to report standard pay data each pay day, then report one-off payments through their agent

There will also be the option of an exemption from STP for micro-employers where necessary – they may continue quarterly reporting for PAYGW on their BAS for a period up to two years. (ATO still needs to provide guidance around what we will expect during this period). For some employers with closely-held employees, this will mean making the most-reasonable estimate on

## Agenda item: 6 – Single Touch Payroll

their BAS, with any required adjustments being lodged on their June BAS.

There will be a retail (tax agent portal) option for agents to select the two-year BAS reporting option.

### STP changes to BAS pre-fill

Michael Karavas advised that data reported through STP will be made available for BAS pre-fill from 01/01/2020 (wholesale and retail, not paper). This will include monthly and quarterly BAS.

There were a number of questions around specific design elements and validation rules.

Michael also wants to explore options to add a view of the current account balance when a BAS is lodged.

Michael advised these will be discussed in more detail once the Activity Statement changes focus group is established. **The EOI will go out in the DSP Newsletter on 27 March.**

## Agenda item: 7 – Machine to machine authentication

Martin Mane presented an overview of the large program of work associated with digital identity and the establishment of a credential for use in machine-to-machine authorisation.

AUSkey which is currently in use in the SBR space will be decommissioned in March 2020, and as such, a new PKI solution is required.

myGovID – this is not the same as a myGov account

myGovID is the credential an individual will use to access all retail government services. The framework will allow it to operate more broadly, just not yet.

The myGovID validation process involves checking the validity of an individual's identity documents. Once a myGovID has been created, an individual connects to any businesses they are the primary contact for, via RAM, and can also authorise others to do things on their behalf (WofG). Authorisations will still be managed in Access Manager.

It is expected there will be an M2M credential to test against by Q2.

Phase 1 will see all the necessary changes for M2M to move into PROD by Sept (Q3).

The new machine credential is backward compatible. The ATO will provide a new end-point with minimal disruption to software. Current AUSkeys can be used with the new end-point, then can start using the new M2M credential as soon as it is available.

Further discussions will be held during the Digital Architecture Reference Group (DARG) meeting on 03 April and in the Digital Identity Working Group.

## Agenda item: 8– Corporate plan

Martin Mane gave an overview of what has been done so far in looking at the Corporate plan and identifying the strategic initiatives which fall under the influence of DSPs.

Of the 43 initiatives, there are 15 which are of interest to and can be influenced by DSPs.

Of these 15, three were identified as being of a high level of importance or interest.

1. Supporting the super system
2. Shift in work and income
3. Channel experience

## Agenda item: 8– Corporate plan

The purpose of these discussions is to gain insights into:

- What we are doing
- Where we might go in the future, and
- What opportunities there are for DSPs to be involved and influence the direction.

### Supporting the super system

MAAS/MATS allow real-time reporting for APRA funds.

Next challenges:

- How do we shift the SMSF sector to a similar reporting regime
- Further adoption of APIs – what APIs could funds make use of
- What is the natural place for individuals to access their super information (eg: ATO Online, banking sites, somewhere else?)

Superfunds are keen to be able to pull both *total super balance* and *total transfer balance* to display in the user interface.

The group agreed there were a number of challenges associated with SMSFs who have no digital capability.

### Shifts in work and income

This piece of work is still in the exploratory and analysis phase.

In determining the scope of the problem, we need to consider:

- How many people are shifting from PAYGW to contractor status
- How many people do both at the same time

It would be helpful if DSPs have any insights in shifts from employee to contractor, or shifts in rental income.

**Action item:**  
20190319\_07

**Due date:**  
Tuesday 30 April 2019

**Responsibility:**  
DPO

The DPO will request DSPs to provide intel around shifts in income:

- Has there been a shift from PAYGW based income to contractor
- Has there been a shift in income? – if so, how large?
- Have there been shifts in rental income?

### Channel experience

There are three key streams identified in this space:

1. Channel sustainability – looking for the best channel for each of our services

When do we provide an API? When do we provide a retail service? When do we provide both?

The group agreed they would like to be consulted earlier in the process of developing a

## Agenda item: 8– Corporate plan

solution – ideally they would like a wholesale solution every time.

2. Channel optimisation – making services better in the channel they are in
3. Channel transition – moving people into the preferred channel

**Action item:**  
20190319\_08

**Due date:**  
Wednesday 15 May 2019

**Responsibility:**  
DPO/Channel Transition team

A focus group to be established for DSPs to contribute to channel experience.

**Action item:**  
20190319\_09

**Due date:**  
Wednesday 15 May 2019

**Responsibility:**  
DPO/ABSIA

A follow up meeting to determine next steps for the three corporate plan actions chosen, and broader strategy of future tax and super systems.

➤ Light morning tea and lunch were provided