Co-Host - Maggie Leese (DSPANZ):
Hi, everyone, we've hit 11 o'clock now. So we'll get started because as you know, we've got a fair bit of content to get through today.

So before we get started, we would like to acknowledge the traditional owners of country throughout Australia and recognize their continuing connection to land, waters and culture. We pay our respects to their elders past, present and emerging. Now, I would like to hand over to DSPANZ Director Ann White to take us through today's webinar. Thanks Ann.

Co-Host - Ann White (DSPANZ): Thanks, Maggie. Well, good morning, everybody. This webinar is on STP phase two and the ECT process, and of course, the timings as well. So let's get started. Maggie is helping me today. Let's move to the next slide.

Slide change
And I'll be your presenter, of course, but Maggie is managing the webinar, I'm in the seat beside the driver, she's driving and I'm telling her where to go. So I'm the annoying person. Okay, thanks. Maggie next slide, please.

Slide change
Okay, just a little bit of housekeeping. We are asking you to use the Q&A facility to ask your question. There are a lot of people on this webinar and we do want to get all of your questions. So if you use the Q&A facility, you can lodge a question. We will have some time at the end to address some of the questions while we leave the Q&A option open for people to put their questions in at the end, if they don't put it in during the webinar. If there are any questions that are not relevant to this particular topic, we will answer them when the Q&A responses are collated after this webinar and will be made available to you, including the slide deck. And of course, I know that this session is being recorded. So next slide, thank you Maggie.

Slide change

Okay, now, the process for ECT and all of these does require that you have access to the ATO, on the DSP online services. Now, if you do not have that already, there may be reasons for that.My company is a sending service provider and we have a lot of DSPs, one of them in New Zealand. They don't have an ABN and they had to, obviously, whitelist for their Australian clients. The ATO said, use the DPO@ato.gov.au email address, and they worked with them and arranged for use of Sigbox to provide documents etc, to this client so that they can do their full ECT process without the access to online services. The ATO has been very helpful here, and if you have any problems or getting into online services, please email them at that address and tell them you've got a problem and they will help you. It's very important because a lot of these steps require the conversation with the ATO, and they are using this methodology of communication. Okay, thank you, Maggie, next slide.

Slide change

Now, this is the process we're going to go through, and I'm going to take each of these steps one at a time and talk about them individually. But it's worth just saying that we've got eight steps to cover from the registering for EVTE all the way through to your clients in production. So this is a summary, we'll be looking at this again at the end to have a look at the timings of the process from where to go. So let's get started on these one step at a time. Next slide, please, Maggie.

Slide change

Okay, so the first step is to get registered with the ATO using online services for EVTE. Now, I am going to explain the acronyms as I go because not everybody on this webinar is aware of all the acronyms so I know that most of you know what I'm talking about. But for the people who may not be so sure. The EVTE is the External Vendor Testing Environment that is the ATO's test environment, and you must register for access to EVTE for STP phase 2. It is really important that you do that because that is the first step that tells the ATO that you have started your journey on phase 2 whitelisting. Now when you do that, they will actually send you a new test product ID, a five digit test product ID which will be attached to all of your testing. And if you are using a sending service provider, then you will probably need to get that new test product ID to them. Because they will be providing the AS4 messaging to the ATO on your behalf.

Now one of the things that you also should probably do is download and read the ECT guide. But you can do that a little bit later. First, what you need to do is your end to end testing. This is where you have prepared your payroll system for phase two, you're outputting, the data etc. Now you need to start sending it to the ATO and getting confirmation that your coding is correct, and that everything is working fine before you register for ECT. Now you'll notice there are two registrations here, register to get started, and when you are confident that your product is ready for ECT Extended Conformance Testing, then download the ATO's guide and you need to register for it. Let's have a little look at the guide. Can you open up the guide for me? Thank you, Maggie, I reached for my mouse there, I am used to being in control.

Slide change to ECT Document

Okay, so this is the Extended Conformance Testing guide. You'll notice it says file 1.1, I actually managed to get my copy on one that was version two, but I was informed by the ATO that that is not the one to look at. So be aware that these documents do change. One of the reasons you need access to online services is to be able to pick up these documents when they do change. Let's have a little look at the index to this one. Thanks, Maggie.

Document Scroll

Okay, and you'll notice it takes you through basically developing a product requesting the ECT to build etc, etc, etc. So these are all of the steps that it covers to give you some information on the ECT process. And you'll notice that in appendix two it's got a sample test case scenario to show you a little bit about what the ECT is going to be like when you get to that point. So this is an important document that you should make sure you've got a copy of and that you do read so that you are aware of the process and the terminology the ATO is using, thanks, Maggie if we can go back to the slides.

Back to Slide

Okay. And when you are ready, you register online for ECT. Let's go to the next slide.

Slide change

Now, when you register online for ECT, and that's actually wrong, it shouldn't say register online for EBT but it should say register online for ECT. Well, we'll get that corrected before the slide decks are made available. You will be asked questions about your payroll system, and you will need to tell the ATO which particular income tax etc that you will be making available in your payroll product. Because that is what you will whitelist for. So the answers to these questions are really important because that's the journey you're on. If your payroll system can't handle all the different income types that are available, then don't register for those because you will be tested on the ones that you say your payroll system can handle. So when you submit that online form/questions, it will create a ticket in that Jira ticket system, that the DSP online services uses, and that becomes the beginning of the email chain, that will be the communication channel for you going backwards and forwards for ECT. You know, they have a number of people, you will probably be dealing with one person most of the time, but don't expect that to be the case at all times. You are starting a journey through your whitelisting at that point in time. Now, once you submit that and you get your ticket, the ATO, and I did ask the ATO for timings here. So the timings I'm giving you are the timings that have been given to me by the ATO. I asked them how long should the people expect to wait before they get the readiness test pack sent to them? And they said allow up to two weeks for the ATO to take your ECT submission registration, and send you the readiness test pack.

Now what is the readiness test pack? Well, the readiness test pack is basically they give you five tests, everyone does these five tests, right. These are not specific to anything, they're generic. Everybody does the five tests. And basically this sets you up for doing all of the other tests that you will need to do. You need to set your data up in them so that they can differentiate your ECT testing from your end to end testing. All right, because during your testing for ECT you might find a problem in your product. You have to go back, make a change and then you want to do some more end to end testing outside of ECT until you're ready to go back and repeat the test that you had some issues with. So they need at the ATO to be able to look at which of the submissions sitting in the EVTE are part of your ECT journey, and which ones are just your own testing. And that readiness test is about that, making sure that you can get that right before you do a whole lot of tests. Maggie can we open up that readiness test pack so people can see what it looks like?

Slide change to Readiness Test Pack

Okay, so preliminary, Extended Conformance Tests, so these are the tests before you do the testing. So let's have a little look at the index for this. Thanks, Maggie.

Document Scroll

Okay. Now, you'll see that there's more information in here on how to set things up, preparing your data for ECT, this is where you need to set up specific data in the payer information, etc. And you should read this document carefully. If you look at the bottom there, number four there, it's got five tests. If we could just go and have a look at one of those tests, Maggie if you wouldn't mind just, you can go down to the bottom, and we'll just have a quick look.

Document Scroll

Okay, thank you. Now you can see that it talks about what the test is about, it gives you the test data, and then if we go further down, that's about that. That's about doing the tests. Okay.That's, that's the process. Keep going, if you wouldn't mind.

Document Scroll

Okay, and here's test two. And you'll notice in that middle row, it says test steps and says send the payer email address field to ECTTEST@ect.ato. That's what I mean about flagging which of the tests you're doing. They're going to pick those ones up and say, okay, we're going to look at these ones. Whereas if you don't have that in the email address field for the payer, then they will ignore it, they'll assume that it’s your own testing. Thanks, Maggie, we'll go back to the slides now.

Slide change

So you've received your readiness test pack, and you then are conducting the readiness test, I don't know how long it will take you to do that. Some people, like my clients, have said it was very easy, others said that it was very confusing. I think this is going to be something that varies from party to party, so your journey is going to be unique through this process. However, when you have completed those five tests, you submit those five tests through the ticketing system, that you've begun your process, a ticket for your ECT journey with the ATO, you submit that and say we've completed our readiness tests alright. Next slide, please Maggie.

Slide change

Okay, so you've submitted your test. How long are you gonna have to wait before they come back? Well, again, I asked that question. I said, I've submitted my readiness test, how long should I wait, and they say, allow up to two weeks. Now when I say allow up to two weeks, it could come back the next day, it could come back, you know, in a very short period of time. I think they're saying allow two weeks for this because if there's a high load of people going through, and they're very, very busy, it may take them up to two weeks. But don't assume it will take two weeks because it could just turn up from your ticketing system very quickly.

Now, what are they actually going to send you? Well, what they are going to do is they're going to check your readiness test to make sure that they're okay. And if they are, they're going to prepare your tailored ECT test pack. Now, what they do is they look at what income types you've said that your software allows, and they will take out the 61 tests that are available, they will take the tests that they want you to complete based on your income tax that you're whitelisting for and prepare a document that is specific to you and which has your name on it, and has which tests you are to do in it. So perhaps if we can have a little look at the ECT tests link there Maggie to see what they are going to be sending you at this point.

Slide change to ECT link

Okay, thank you to my client who sent me a copy of their test pack. They have had their DSP name, their product name, their EVT product ID and which particular income types, they have said in the questionnaire that they were prepared to be whitelisting for. You'll notice this particular client is pretty much doing everything, you may not be doing everything, and therefore this list may be a little bit shorter for you. But this is a tailored document tailored for you specifically, it's not a generic document. If we could go down a little bit, please, Maggie, and we'll have a little look.

Document Scroll
Okay. Now, you'll notice the preliminary test cases, the first five, the readiness test cases, you've already done those, they're in this document, but you don't have to have to do them again, they're already covered off. But then customize test cases number five underneath that, if we could go down a little bit, please, Maggie.

Okay, again, stop there. You'll notice it goes down to I think it's 61 tests, and because this particular client was doing pretty much everything, you'll notice, it's got a bookmark missing there for test 52. I think that basically, they take out the tests that you don't have to do. So some of my clients have said that they only had 20, or 30 tests to do and some said they had 40. And this particular client said they had to do about 60 tests. So this is not not insignificant, but you can at least deduct five from that.

And if we can just go down and have a little look at this document, we'll just scan through it quickly, again, you know, just here on this page. It's got related documents that you can link to, to answer questions. And I mean, I have to say that this time around the ATO has done a wonderful job on documenting, I think that part of that work was the work groups they had with DSPs that were involved. What has come out is plenty of documentation and very specific documentation, which they will have expected you to have read if the features and functionality are relevant to your payroll system, but I have to give them credit for documentation this time around.

Okay, so if we go further down. And you'll notice a lot of this is the same as the readiness test, just keep going down a bit fast through here now, down to the test cases. And you'll notice here is the first five again, just keep going down maybe to number six. Okay, then good customised test, yes, excellent.

Now, you'll notice in this scenario, it's got pay period one, and pay period two, a lot of these tests require you to do two payrolls, one after the other. Then measuring the year to date change between the two payrolls that you send through to make sure that the incremental on the year to date is correct. So, and in some cases, you are actually testing different things in the second one, than in the first one as well. So they're kind of combining a number of things they want to test in what they're calling one test.

So you will find that, I asked one of my clients how they were going through the tests, and they said, Oh, it's just tedious, and another client said, this is really hard, I need help. So I think this is going to be a varied situation for all of you. One of the feedback I had was, well, you really need to know how to run a payroll system in order to do this testing. The complaint came through that, look, I'm just, I'm just a programmer, I don't understand how to run a payroll. I don't understand about doing these kinds of things. So you know, depending on who's actually doing the testing, you may need the help of somebody who actually uses your payroll system, and knows how to put this kind of data into your payroll system in order to get it out. So that's just some of the feedback that I've been getting, and I pass that on for what it's worth.

Okay, so let's go back to the document. This, this particular section, will go to the next slide. Thanks, Maggie.

Slide change

This particular section is where the time is going to be taken. You do your tests based on that and submit your tests to the ATO. Now, there's a little bit of leeway here as to whether you should send all your tests at the end, or whether you send that you've completed certain tests as you go. I've been told by the ATO that you can do it either way. You can either do the tests and submit as you go, or you can do them all and then submit at the end. They may not necessarily look at them all as you go, but they will definitely be looking at it when you say I've completed all the tests. So, again, I think that might be a factor of whether they are really busy or not, and whether they can get to your tests as you go. I think only time will tell and the load on the ATO as to what's happening. So let's have a little look at the next slide, which is when we ATO looks at your tests.

Slide change

Now I asked them, how long will it take from the time you submit the tests to the ATO for ECT, and you get whitelisted? And the answer came back was ‘allow four to six weeks’. So the question is, does it take four to six weeks, if you submit, as you go, does it take less time? There is often corrections and retesting required, you went through this, of course, with the situation of PVT Product Verification Testing, and the first cut of Single Touch Payroll, there was a bit of backwards and forwards you did more than one live pay run, you did some corrections and resubmit. So this is that process again, but in the test environment only. So it's not critical, because it's not in production. How much extra work you need to do will depend entirely on your payroll system's ability to meet those tests, okay, but that figure of allow four to six weeks was a little frightening to me, but that's pretty significant. Again, it's ‘allow four to six weeks’, it may take less time, it may take the full six weeks.

Now, once you have passed ECT, they will actually send you a certificate that says you have passed ECT, and it will list the income types that you are whitelisted for. The assumption is that you will not be able to send through income types other than the ones you are whitelisted for, and if you want to add additional income types later to your payroll system, then you will need to whitelist for those again through the ECT testing and do the tests specific to that income type.

Now, not only will they send you a certificate in what you're whitelisted for, but they will want to have a discussion with you, and when you roll out to your clients. Because what they really want to know here is a little bit of if you're a cloud solution, there's going to be an instant, overnight turn on for all your clients, they're going to be suddenly on on STP phase two, or are you on premise solution and therefore you're going to be rolling it out to your clients over a period of time. Depending on which clients you can get to take up quickly and which ones are always slow to upgrade. That can be quite a lengthy process, and in fact, one of our clients was the first one to go through into production for STP phase two. And in fact, we had to time the actual sending of the first submission at 11 o'clock so that Perth could be online as well to watch the ATO, all around Australia was watching this first submission going through. And I'm pleased to say it went through smoothly and their systems for handling dual versions in production seem to work well. Since then, we've got seven of our clients in production right now and putting through their clients or putting through regular submissions, and we haven't heard of any problems. So I'm pleased to say that it looks like once you do deploy your client base that you probably will not have any problems with the new revision that's been sorted out. Okay, but they will want to know that because it's part of their understanding of and watching your deployment. Okay, let's go to the next slide.

Slide change

Okay, and of course, the last thing is to deploy the production. So you've been whitelisted, you've been whitelisted for specific income types, and now you are going to deploy to your clients. So this is where it gets really interesting, because of the timing. And at this point in time, all your clients are expected to be in production. By the first of January, unless you've been granted a deferral, which we're now going to talk about. I understand and the ATO understands very much that given the pandemic, given the data changes that have been required, given the impact on some of your clients of mapping new allowance codes and all of the other things. So this is going to take longer than the first of January, but you must ask for a deferral if you are not going to have all your clients in production by the first of January. Could we go to the next slide, please Maggie?

Slide change

Okay, so here's a brief summary from registering for EVTE all the way through to production clients, and I've got question marks there because that's when the ball is in your court and when you need to do something. I've put the allow up to two weeks and four to six weeks that the ATO has informed me as being something that we can say, and you can add in your own time frames and come up with how long it's going to take you to complete this journey. Remembering that last one, seven to eight is about your clients being in production, and using your upgraded version of your product. So I'm sure some of this is going to be a little challenging and when you look at the timeframe of the 15th of September now, remembering that the ATO will shut down for Christmas, and new year period. Then of course, we're in the year and theoretically the compliance state so, you know, there's obviously going to be a lot of people going through ECT over the next few months. You do need to have a look at where you are on this roadmap so far, and how long it's going to take you to complete. Next slide Maggie.

Slide change

Now deferrals the ATO has announced that if you want to be considered for a deferral of the first of January deadline for your clients, then you must submit your deferral form by the 31st of October. So you've got six weeks now to do this submission of the deferral. It's an online form that you fill in from DSP online services. So again, if you don't have access to DSP online services, then you must contact the ATO now and talk to them. My New Zealand client did this and the ATO got back to them straight away. They've used Sigbox to provide the client with what's required for ECT and for deferral. So you do need to contact them if you can't get onto DSP online services.

Once you do get on, I can tell you login, go to the little search button, put in deferrals, and instantly, up comes the STP phase two deferral kit, and it has an online form and it has a download of a spreadsheet. Now, you do need to tell that, I remember the first phase of this all you had to tell them was when you wanted the deferral to, and good reasons for why. This year, this time is different. This time, you do have to give a lot more information. The spreadsheet that you download will have in it a spreadsheet that shows from the month of January through to the month of December, how many of your clients will be onboarding within each month, and that is an implication that you must have all your clients on boarded in production by December next year. They haven't said it, they've implied it by the spreadsheet that they're providing. So I'm just saying, get online, get these deferral, have a look at these deferral forms, you can download a PDF copy of the online form to have a look at it so you can prepare all your answers, fill it in on the form, drag and drop the spreadsheet into it and submit it before the 31st of October, make sure that you are actually going to be covered.

Now, if you feel that your product will be covered within a certain time frame but you have a number of clients who are impossible to predict and who have specific UAT processes anything before it can go into production, you might want to consider telling them to apply for a deferral themselves with their own reasons of why they're not going to be able to meet the upgrade timeframe that you can set, but their own personal circumstances won't allow it. They can apply for a company deferral or employer deferral themselves from the ATO if they can justify the reasons why. So you might want to just think about that, you know your client base and which ones I am kind of talking about and I suggest that you make that suggestion to them early because again, in October they can submit their request for a deferral. So if you feel you can get everything out, you know, get through the whitelisting and get out everything to your clients and they can upgrade by a particular date, but these handful can't, ask them to go and get their own deferral so that they are not holding you up. Okay. Now it's 11:30. That's 30 minutes. Next slide, please Maggie.

Slide change

I hope you've enjoyed this webinar, I hope it's been useful to you. If you are a DSPANZ member, thank you for attending. If you are not a DSPANZ member, thank you for attending, and we would like you to consider joining DSPANZ. DSPANZ is DSPs in Australia, New Zealand, and it was formerly ABSIA, Australian Business Software Industry Association, and we represent business software developers. So if you are not a member of DSPANZ now, and would like to have access to this type of information and webinars in future as a member, then please go to our website and have a look at the membership area and join up. Because we look forward to having you on board as a member with us and access to our forum, which is open to members for asking questions, etc. as well as newsletters and webinars, etc, to provide you with information and be a voice of the industry to be able to represent you in discussions with other parties like the ATO. If we move to the last slide now, thank you, Maggie.

Slide change

Co-Host - Ann White (DSPANZ): Okay. So we're now finished with this webinar. If you have any questions would you please put them into the Q&A facility and we will keep this open for the next nine minutes. So that you have time to type in your questions. All the questions will get answered and distributed after this webinar so if we don't answer any question now, they will get answered.

Maggie, are there any simple ones that I can answer today?

Co-Host - Maggie Leese (DSPANZ): I'm hoping so. So we have a question - can we add income types over time?

Co-Host - Ann White (DSPANZ): Yes. If you only whitelist for a subset of the income types but then later you enhance your payroll system to include extra income types, you will need to go back through the whitelisting process and apply for ECT for those income types that you're not already covered for and you will need to run the ECT testing that is specific to that income type and you will then be certified for that additional income type in production.

Have we got another one?

Co-Host - Maggie Leese (DSPANZ): Yeah. We've had a few around what is the response time from ATO for EVTE registration?

Co-Host - Ann White (DSPANZ): Okay so when you register online, pretty fast. You get an email coming back pretty quickly for that. I think it must be pretty automated. And what that email says is you are registered for phase 2 testing in EVTE and here is your new product ID. Now the new product ID, everyone is getting a new test product ID but they are not changing the production IDs. They're only changing the test product IDs. I heard a story that the test product IDs were being manually allocated in the first round and there might have been a few mistakes. They decided to automate it in the second round and so that's why they're replacing all the test product IDs. That doesn't help them of course separating your testing from their ECT testing. They've got another way of doing that. But yes it seems to be pretty quick from the time you go online and register for EVTE and that you'll get an email pretty quickly. I don't like to be definitive about timing from the ATO. It's their timing not mine.

What else have we got Maggie?

Co-Host - Maggie Leese (DSPANZ): So we've got one - STP phase 1 used production data for PVT, is that the case for the final ECT?

Co-Host - Ann White (DSPANZ): No. This is the whole point of what they've changed. In the first round of Single Touch Payroll, you'll remember that we did some conformance testing and end-to-end testing in the EVTE but then when we went into production verification testing, they put us into production environment and you would have one client in production that you were doing testing, well not testing, a live pay run and they would check your live pay run. If there was a problem, you would have to repeat it. Or they would wait till the next pay run and check that you'd fixed the problems and all the rest of it. It was quite messy.

EVTE is the testing environment. They do not want live data in the test environment. They've been saying this since they started STPs, do not send live data to EVTE because it is not as secure an environment as the production environment. You're not supposed to be sending any real TFNs or any data that identifies real people into EVTE. So just be aware of that, there's a little bit of hand smacking goes on if you start sending real data through to EVTE.

Co-Host - Maggie Leese (DSPANZ): Thanks Ann. And we've had a question around why the ATO are taking so long to approve deferrals and Chris Denney has kindly answered that in the chat saying that they are moderating deferral requests received against other DSPs. So if there's anything you would like to add to that Ann?

Co-Host - Ann White (DSPANZ): Yeah. Thanks Chris for pointing that out. They don't want to respond quickly to everyone's requests because, you know, the first requests that come in might seem very reasonable but then the next 50 requests are all basically saying I only need until April or I only need until March or something. They're going to be looking to see, the deferrals they give match pretty much, as Chris has used, an equitable situation. So that people in similar situations will get similar deferral dates depending on problems that they have in meeting the requirements for deploying to their client base or problems with developing their software. There have been issues of, some people have mentioned for example, that they lose technical staff and during the pandemic, they're having trouble recruiting. There can be issues associated with their database structure and the work they need to do for phase 2. There can be all sorts of reasons for various parts of the journey that you're taking. It could be the development problem, it could be the testing problem, it could be a deployment problem that is going to prevent you meeting that 1st of January deadline. And so, the ATO wants to see all the deferral requests before they then actually offer them deferral dates out.

Okay. I'm trying not to read the things coming through on the screen at the same time. We've got three minutes more before we close the webinar and close the question and answer session. So if you have any questions, please put them into the question and answer section now. Even if we don't get to answer them right now, we will get back to everyone, you'll be able to see everyone's questions. They'll be anonymised by the way, the questions. But you'll be able to see what other people's questions were and the answers to them.

So, have you got anything else for me?

Co-Host - Maggie Leese (DSPANZ): Let's go one more to close out the webinar. Can you submit both versions of STP until January 1? If on premise and some clients are not able to do so immediately.

Co-Host - Ann White (DSPANZ): Yeah. Absolutely and in fact, part of what the ATO is saying is that you must continue with the version 3 2018 version until the client is transitioned to the version 4 2020. By definition, they do not want any missing data and of course some clients will be on version 3 and some clients upgraded to the version 4. And of course I'm using version 3 and version 4 terminology now because the ATO decided to confuse everyone and call version 4 Phase 2. But yes, with the two revisions, some of your clients can be running one version and some of your clients may be running the other version. If you're using a sending service provider, obviously you need to discuss with them your roll out of how you're doing it. I'm not going to speak for other sending service providers but they are your partner. If you're using a sending service provider, stay in touch with them to make sure that you know what you can and can't do. But yes, the ATO is actually asking you to on the deferral application form, you have to make a declaration that you are an authorised person to fill out and submit this form and not only that, but you commit to continuing to send version 3 until the client has been transitioned to version 4. So you're making commitments and you're making declarations as part of the deferral request.

Okay. So that's pretty much it, I think we're at 11:39. I'd like to thank everyone for their time. I try to keep these brief because our time is also valuable but please, put your question in now and I think Maggie you're going to shut down the webinar ... it's 11:40. Time's up. Thanks everyone. We'll see you at the next one.

Co-Host - Maggie Leese (DSPANZ): Thanks everyone. And if you are a member, feel free to pop any questions up on the forum and there is an incentive for all you guys who have joined today that are non members to join the forum for one month and have a chat about STP.

Co-Host - Ann White (DSPANZ): Good. Thanks Maggie.