

**Webinar Host - Ian Gibson (DSPANZ):** Welcome everyone. I'd just like to commence by acknowledging the traditional owners - We acknowledge the Traditional Owners of the Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

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**Webinar Host - Ian Gibson (DSPANZ):** We'd also like to thank our Webinar Week sponsor, SuperChoice, for supporting this event. We have a few words now from CEO of SuperChoice Gordon Sparrow to play for you now.

*SuperChoice Introduction Video*

**Sponsor - Gordon Sparrow (SuperChoice):** G'Day & welcome to the DSPANZ Digital Week. My name is Gordon Sparrow, I'm the CEO of SuperChoice. If you've ever wondered whether necessity truly is the master of invention, then the past 18 months would have been an eye opener. Since the start of the pandemic we've seen a rapid growth in the high adoption of digital transaction solutions. In fact McKinsey suggests that in the Asia Pacific region, Covid-19 has accelerated the digital adoption rate by four years, that's ahead of every other market in their research. Perhaps most gratifying has been the positive contribution the community of digital solution providers has made to Australian society. For example, the roll out of STP has been a huge success for the ATO and enabled a swift response to getting money into people's hands when they needed it most via JobKeeper. And that's only the start of their digital roadmap. We understand the challenges that you as the industry face because we face them too. How can we find ways to bring greater value for employers? How do we grow revenue and protect our market share? How do we meet customer expectations around digital experiences? What does the future have in store? If you have a crystal ball, please share it with me. How do we keep up with changing regulations and compliance? How do we future proof our technology stack to scale and deliver new solutions? Most of you know SuperChoice as a superannuation clearing house, which is at the heart of what we do, but as the market's evolved so have we. We're a digital solutions provider who support many of Australia's largest superannuation and payroll providers to provide integrated solutions for their customers. As sponsors of DSPANZ digital week, we're looking forward to hearing from the expert presenters. We're offering a free digital transaction health check for all attendees of DSPANZ. So get in touch with our account managers at [hello@superchoice.com.au](mailto:hello@superchoice.com.au) if you want to take advantage of this offer. Thank you for being an active member of our community.

*End SuperChoice Introduction Video*

**Webinar Host - Ian Gibson (DSPANZ):** Thank you, that's great. Now what I'd like to do is introduce Simon & Mark. Simon Foster is the President of chair of DSPANZ, as well as the co-chair of the eDelivery of Business - e-Invoicing Sub-Committee. While Mark Stockwell, our

guest presenter, is the Acting Assistant Commissioner of Digital Partnerships, Planning & Governance at the Australian Taxation Office. Simon, I hand it over to you, thank you.

**Guest Speaker - Simon Foster (DSPANZ):** Thank you Ian and welcome everyone to DSPANZ's Webinar Week. As Ian said, I'm the President Chair of DSPANZ. We'll get it going with a bit of an intro to the sessions that we're running this week.

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**Guest Speaker - Simon Foster (DSPANZ):** So firstly, this afternoon we have our presentation on Critical Infrastructure by Patrick Fair who will be giving attendees an overview of the new framework for the regulation of critical infrastructure including an update on the proposed coverage of data storage and processing services and the new obligations and enforcement mechanisms that will apply.

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**Guest Speaker - Simon Foster (DSPANZ):** Tomorrow morning we have John Shepherd from the Australian Bureau of Statistics, who will be familiar to many of you, and he'll be talking about a range of projects that the ABS is undertaking to modernise the way businesses provide data to the ABS.

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**Guest Speaker - Simon Foster (DSPANZ):** Tomorrow afternoon we have Paul Magee from Auraya Systems and he'll be discussing how New Zealand have reached their world leading penetration of voice biometrics and what benefits are being delivered to consumer organisations. Ian also has some updated data from the ATO on Australia's use of voice biometrics.

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**Guest Speaker - Simon Foster (DSPANZ):** On Wednesday morning I'll be joined by Christian Walkerden from OZEDI and we'll be talking about onboarding customers and suppliers to the Peppol network. Christian will also be presenting on [eInvoicing.com](http://eInvoicing.com) and how that can help.

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**Guest Speaker - Simon Foster (DSPANZ):** On Wednesday afternoon we have Laura Munsie from the Attorney-General's Department and she'll be providing an overview of their roadmap for regulatory technology which has identified opportunities to use technology to make it easier for businesses to comply with their obligations under modern employment awards.

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**Guest Speaker - Simon Foster (DSPANZ):** On Thursday we kick off with single touch payroll, and Michael Karavas and Matthew Hay will be talking about how ATO and DSPs have been working together in partnership on the single touch payroll initiative and also what's on the horizon for STP.

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**Guest Speaker - Simon Foster (DSPANZ):** On Thursday afternoon we'll have cyber security for small and medium businesses with Gaye Deegan & Rosalie Martin from The Joint Cyber Security Centre and the Department of Home Affairs. They'll be providing an overview of the current threat landscape with a focus on threats to small and medium businesses.

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**Guest Speaker - Simon Foster (DSPANZ):** On Friday morning, Matthew Prouse, one of the Directors at DSPANZ, will be presenting a summary of the recent review of the security standard for add-on marketplaces, including potential changes to the standard.

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**Guest Speaker - Simon Foster (DSPANZ):** And finally, on Friday afternoon we have Vineet Mishra of the Alacer Group and he'll be delving deep into anti money laundering, how it can apply to payroll processors, and his recommendations about how to deal with that.

So I do encourage you all to sign up for those sessions. You can go to our website and sign up, you've already signed up for this one, so you know how to do that. They're all certainly to be very interesting and they will be recorded and available to members as well.

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**Guest Speaker - Simon Foster (DSPANZ):** So now I'll go on a little bit into what is DSPANZ, what we do and a bit of a review of what we've done this year.

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**Guest Speaker - Simon Foster (DSPANZ):** Firstly a little bit about what we've done. Many of you will be aware we used to be called the Australian Business Software Industry Association and we've played a central role in that having been founded in 2013, in things including single touch payroll, ELS to SBR (the improvement of API standards), SuperStream, the operational framework, Peppol eInvoicing, the SSAM, and also the eInvoicing Practice Statements are

among some of the things we've done. Earlier this year, in April in fact, we rebranded and established a presence in New Zealand and we did this to better serve our trans-Tasman membership.

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**Guest Speaker - Simon Foster (DSPANZ):** Our mission is to support our members to inform government policies and develop solutions that optimise business and economic outcomes in New Zealand and Australia. We do this by our six pillars:

1. Helping our members to stay abreast of industry issues and sharing their knowledge
2. Communicating with our members and government stakeholders
3. Professional development opportunities
4. Facilitating and contributing to government consultations
5. Representation and advocacy and
6. Promoting world class APIs, cyber security, and interoperable open standards

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**Guest Speaker - Simon Foster (DSPANZ):** So there's the traditional logo board with a few of our members there that we call the best and brightest digital service providers in Australia and New Zealand.

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**Guest Speaker - Simon Foster (DSPANZ):** At the beginning of the year we set four high level priorities for 2021. One of them is because we're a relatively small and new organisation we wanted to uplift our maturity and reduce our reliance on what is individual volunteer directors and I'm pleased to say over the recent few weeks we've added two new part time staff to our office in Adelaide along with Maggie and Donna our permanent staff, so we've started to approach that.

We wanted to launch in New Zealand, which we've done.

We've broadened our engagement with new and existing stakeholder agencies and partners, I'll cover that in a little bit and you can also see in the range of organisations presenting here at Webinar Week how we've done that.

We've also formalised some of our work into sub-committees and actively encouraged members to get involved.

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**Guest Speaker - Simon Foster (DSPANZ):** Which is a nice segway into what are our sub-committees. So we have eight and they are.

e-Delivery of Business - which is covering primarily Peppol eInvoicing at this point, but will be also moving onto other documents that Peppol supports. Government Digital Services - looking at modernising business registers, single business reporting and also PLS. We have a government relations sub-committee - where both our large and small members have participation from government relations staff. What we're calling modernisation of payroll - major work there is STP2 which is obviously keeping a lot of people busy right now, but also work with the Fair Work Commission and the Attorney-General's Department on modern awards and how to digitise that. We have a management committee which includes responsibility for oversight of partner organisation liaison and running of the association. We have a new smaller DSP sub-committee - so focusing on the needs of our smaller members and how we can better support them. We have a New Zealand sub-committee. We also have a Security Standards sub-committee ably lead by Ian. And we also have one looking at Superannuation Transaction Network.

It's a good moment to mention we have twelve Directors, all of whom work very hard and are good contributors to the society and very pleased to be working with everyone.

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**Guest Speaker - Simon Foster (DSPANZ):** So, very briefly, some of the things we've done in terms of engaging with other organisations over the last year.

ATO and the newly named Australian Business Registry services. If you go to [abrs.gov.au](http://abrs.gov.au) that website was launched last Friday and that is the organisation which has taken over responsibility for the ABR, ASIC, and the modernising business registry process. So we've had participation in a number of the working groups around MBR project, also participation in the oversight group of that which is the Business Registries Strategic Advisory Council. Many of our members and our staff are on STP2 Working Groups and also presenting to live streams both to business and intermediaries. Working together with Mark Stockwell, who's joining me today, on the strategic working group for DSPs and we've reset that really and you'll see from Mark some of the work we've been doing in terms of roadmaps and understanding the future strategy of how DSPs and ATO can work together and also the Digital Architecture Reference Group (which is the DARG). We also, and it seems like a long long time ago with all the lockdowns, but it was only January, where we had to liaise with our members and make the case for pushing the commencement date of STP2 back from July until January given everything else that has happened with lockdowns and so on in the last few months that turned out to be very necessary. We've also participated in the Cyber Security Steering Committee with ATO which has worked on Operational Framework 6 and also the SSAM Review. And that's a small set of

the work we do with ATO and ABRS, there's a lot of things that we work together and that our members work together with.

Some of the other organisations we work with are GNGB, the Gateway Network Governance Group, which has responsibility for the Superannuation Transaction Network (SuperStream), that's an ongoing relationship, but we've also been working together particularly around cyber security.

Also GATE, which is the Gateway Association and Transaction Exchange, it's the gateway to the GNGB, to the Superannuation Network and we're providing secretariat support to GATE, there is an overlap of our members and GATE's members. It's quite a logical way forward.

We've had a number of both private and public consultations we've participated with the DTA around digital identity, trying to get DTA to look at that from a perspective not just from consumers but also from the requirements of our members for B2G and B2B identity and it's very pleasing to see the draft legislation, which came out a week or so ago, included a number of the recommendations and requests we had had been put in there.

Also been working with the Fair Work Commission Attorney-General's Department, that's the modern awards pay database, but also as mentioned a little earlier the RegTech Agenda Strategic Working Group.

We are an active member of the COSBOA (Council of Small Businesses) and we've had ongoing engagement there particularly around Covid response and we've assisted a number of members in getting in touch with things like state governments when it moved from ATO to state governments managing Covid response three or four months ago now.

OpenPeppol, we had an active involvement directly via our members in the Peppol International invoice work, from the beginning of the year the Agreements Revision Task Force, we also now have cross-representation where DSPANZ gets some representation on some of the OpenPeppol groups and OpenPeppol attend our discussion groups and sub-committee as well.

In New Zealand we now have the New Zealand Digital Advisory Group which is a mix of the DARG and the strategic working group working together with IRD for the Australian Bureau of Statistics and John Shepherd will be talking about this in a couple of days.

Small Business Surveys add-on app, so this is the ABS making life easier for small businesses, taking advantage of public APIs to grab the data.

We've also worked with a number of other organisations, you'll find some of them there, the Small Business Ombudsman, CPA Australia who in that short period when we were allowed to

travel had invited us to speak at their conference, Institute of Certified Bookkeepers, Department of Employment, and also the State Officers of State Revenue.

Also in summarising things up, this is our second Webinar Week of the year, we had one in March that was very well attended and we were very pleased with. We've made twelve Policy Consultation Submissions this year, you can see them on our website. I mentioned earlier Covid Lockdown Response, we also published a clearing house of that which was referenced by the accounting and bookkeeper bodies. Our forum is active particularly on single touch payroll. I mentioned new staff and plus we've got new members. So it's always interesting to do that type of review and just see how busy we've been over the last year.

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**Guest Speaker - Simon Foster (DSPANZ):** So, with that message, if you're a guest here on the webinar, why should you join us? It's an opportunity to stay up to date, keep informed, you can influence policy as we do consult widely before publishing, you can participate in those consultations, you can get to work with some of your peers and building those trans-Tasman networks, networking events we hopefully can go back to face to face events again, we were pretty lucky we had one one week before Sydney went into lockdown, and obviously you get member prices to our various events, and you get to help shape the future, please do participate in our sub-committees, we're always looking for people to get involved, and various other events we have going on.

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**Guest Speaker - Simon Foster (DSPANZ):** Information is available on our website, or you can hit [hello@dspanz.org](mailto:hello@dspanz.org), or you could even throw something in the chat here and we'll follow up with you.

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**Guest Speaker - Simon Foster (DSPANZ):** So on that note, it's my pleasure to ask Mark Stockwell who is the Acting Assistant Commissioner of Digital Partnerships, Planning & Governance, and relevant for us is the digital partnership office who we work very closely with, to give an update on the State of the Industry.

**Guest Speaker - Mark Stockwell (ATO):** Thank you Simon for the introduction and hello everyone at DSPANZ members, fantastic to be here kicking off on Webinar Week. I'm really pleased to be able to add some comments as part of the opening address. I have a long title; Digital Partnerships, Planning & Governance. If you break it down a bit though, the first part of that title is 'Digital Partnerships' and why it's important is I provide some of the views that we have at the ATO around that partnership. So my role has responsibility for that relationship with

the software industry, but also my role has a secondary part which is around 'Planning & Governance', that's more about internally where we plan a very big IT shop here at the ATO, so it's having a lot of the governance arrangements behind that large amount of release and delivery, so I have a responsibility for that as well. The other important part around 'Digital Partnerships' though is also the eInvoicing initiative, which I've got overall responsibility for. That's a bit about me, so what I was asked to address, I suppose the title was a 'State of the Industry' and maybe reflect upon, a bit like Simon has just done, about what we've been doing and how busy we actually have been. I'm going to cover off a number of topics, a little bit like what Simon did as well in terms of we've got a bit of overlap there, which you wouldn't be surprised because you know we're working so closely together with DSPANZ these days that everything we do seems to have a relationship in those conversations.

So I'm going to kick off with a slightly different though, one of the areas of focus for us, Simon partially mentioned around the Operational Framework, but cyber security and fraud. No surprise this would be a heightened area of focus with the ATO and the government more broadly. The threats are evolving, we continue to identify and address different vulnerabilities, the most important though is we strengthen our ecosystem so we're in the best position we can be. I've read a number of reports over the last twelve months, particularly more recently where they're doing some comparative analysis between what we saw probably pre-covid or coming into covid and today, and all those reports are pointing towards the same finding, and that is a large increase (over 100% in most of the reports) of global volume of cyber intrusion activity compared to last year. When I talk about cyber intrusion it's more around targeted ransomware, extortion operations, supply chain intrusions, a whole gambit of cyber threats that we hear about. So it's important that we take precautions to keep our digital assets as secure as possible and obviously ATO is just one government agency but we spend an enormous amount of effort and time on that particular initiative. At the DPO likewise though we've been looking at how to keep at breast with the necessary requirements, so over the last year people would have heard about our Operational Security Framework Review which we conducted and we finished that in the middle of the year and we're now into looking at how to uplift six technical security requirements, but also a number of other improvements to process and support material, and that's an ongoing process for us, it's not something we just set and forget obviously, but it's something we're constantly monitoring, constantly looking at where can we make improvements. And secondly as Simon mentioned, was about the SSAM, the Security Standards for Add-on Marketplace with conducting another review to try and get that better alignment between the security standards that exists and the Operational Framework, eInvoicing, and also ISO standards. So having it much more easier for DSPs to understand how those standards interact and having a consistent view.

Next point I wanted to talk about is Covid, you can't talk about too many things these days without Covid and the impact it has upon us as an industry, and us here at the ATO as well. One of the things we very much focus upon is the skyrocketing demand for data and it's growth and accessibility of that data. These are very complex situations we're trying to work through from

not only an ATO perspective but a whole of government perspective and how we operate in that environment with also having staff and partners in hybrid or remote working arrangements that were different from before. Obviously we're spending a lot of time investing in this and hopefully with future direction it's going to force us to be in a much stronger position than otherwise. So we can look at this as bit of a benefit of Covid, as it's forced us to think differently and actually act differently, and it actually probably opens up some opportunities that didn't exist in our traditional way.

Another point I'll touch on is IT resources. Why I say that is one of my internal responsibilities is about recruitment for our IT functions across the board. And we're monitoring the landscape obviously of the IT industry and how we know there is a short falling in experienced or qualified technicians out there. And we'll continue to grow overtime, so we do see there's a risk, not only for ourselves but for government and also the broader industry of how do we address the requirements that are placed upon us by government and the environment to meet those demands when we've got a diminishing or a reduced resource at our disposable. So we'll be closely monitoring that further.

I wouldn't be a bureaucrat without mentioning government and an election. So we know probably within the next twelve months we will have an election, it's pretty certain, when that is we're not sure, as a betting man I'm saying it's within the first half of next year but obviously the government will give us hopefully due notice as they generally would about when those are coming. But also when we have an election it also means possibly more change or also sometimes through our election process there may be some disruptions to the activity.

The next point I wanted to touch on was whole of government. We've spoken many times before about how the whole of government approach is changing and how does the service community is changing and the government is taking a much more active role these days in making that a more centralised position, the digital plan they released, the budget last year gives a sense of that, and they look to roll that out through different agencies, not just the ATO, but all agencies will be affected through that plan. As part of that plan we also heard about eInvoicing, a lot of the members I'd hope are familiar with that term now (Peppol Invoicing) and where it's taking digitising the invoice and procurement of the industry here in Australia to be a much more digital and improved and efficient environment. Other big ticket I suppose is the Modernising Business Registers, so earlier this year we moved all staff from ASIC that were coming across as part of the supporting eleven additional registers, so they're all onboard. Simon mentioned about now we have the centralised and updated website live which is fantastic and we look forward to continue work and consult through the DSPANZ and members on that design for MBR as it's rolled out. The other point I'd mention in the whole of government sector which is extremely important is obviously the release of MyGov ID and RAM, you would of seen in the news the moving to facial recognition as part of that identification process. It's fantastic results we're working through in our Beta now and the numbers we're seeing is very encouraging. So we can see that's going to be a critical part of our infrastructure in the future.

The approach for whole of government is really about enhancing the value and experience for community and business, but it's also about improving efficiency and effectiveness for us here at the government agencies. To do that though it's important that we have an integrator or an integral part and relationship that we have with digital service providers because everything today that government is changing or designing is centered around some sort of digital initiative or some sort of digital change and hence why it's critical that our relationship is retained in a strong way. And what we saw earlier this year, we do our annual survey of the ecosystem to see how we're tacking, I'm pleased to say again that we're seeing an overall improvement in the relationship we have with 73% of people saying that the DSPs and the ATO continue to work effectively together. And that comes from over 200 respondents, so it's a healthy group of people that participated, so thank you for that. And we use those results to actually continue to improve and some of those things I spoke about before, about the Operational Framework, but with 73% you can say that there's room for improvement and so some of the things we're already started to focus upon are things like a new strategic partnership model, and what that means is making a difference between what we say is operational work and what is our strategic work. So DSPANZ has been very much at the heart of a lot of the strategic consultations that we undertake with the ATO or on behalf of government, but the operation work is more around how we've shifted and our operational support for the industry; centralising our ticketing, improvements to Jira, we're having an improved service desk functionality so we can improve the responsiveness and the way we deal with different tickets. With that, we've put forward further increased resources this year and part of that is not just to change the model and be more responsive but it's also in recognition of the growing industry that we're actually working closely with. Another outcome that we have taken on from the feedback from yourselves is about making sure we publish the outcomes of the consultation groups in a timely way. So that was noted and endeavoured to do that.

Another point was about improving our guides material for the Operational Framework, again as part of that review, we can see where we can make improvements into our collaboration hub and have that material available for you.

The other area which we focused on is improving our online services channel, that's so important for us in terms of having self service, so the people aren't waiting for us you can get on with your business and self serve where possible, and also provides a level of information that you'd need on a day to day basis.

Confluence is also just had a major complete review of it's contents so hopefully people now see a change in the information that sits on Confluence and how you use that, again please keep the feedback on that coming through so we can continue to improve that.

Simon mentioned at the beginning about a roadmap, so I'm just going to ask Maggie to pop that up on the screen for a second, just to give a look at what that is about.

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**Guest Speaker - Mark Stockwell (ATO)** So the roadmap is designed through the strategic working group to look at how can we provide greater visibility of key initiative that the ATO is involved with, like a one stop shop on one page so that people can actually better understand and be more transparent about what's happening. Obviously there is limitations about what we can put on a public document because sometimes the members in those committees do talk about things that are really sensitive that are not able to be put in a public position. But, this gives us a really good view, so I hope people like it, and also give us feedback on how it could be improved. It gives us a sense of things that are on the horizon, things that are happening, and a bit more information so that you can actually plan your business to reflect those type of issues and impact they'll have upon you. I think it's representative of the maturing of the relationship of DSPANZ and it's members in terms of having input to show what members want to see as well as how it should be presented, so hopefully it hits the mark. That will be published very shortly, I'm just giving you a bit of a tease there today, just for people to have a quick look how it's laid out but you'll see that coming up on online services very shortly so stay tuned for that and we'll be no doubt bringing communications out about that.

Another issue we're looking at from feedback is what we're calling a landscape report over the next little while. What we're trying to do is look at and investigate, or explore I should say, options for anonymised data and statistics that represent what the ecosystem is and gives yourselves a better understanding of the market, your clients, and the users. Again, how we represent that and how that will form together will ultimately be defined by the input from yourselves and the value that that report can provide to you. So, keen to participate in further consultation on that point.

That's really what I wanted to cover today Simon and Ian, I thank you again for the opportunity to talk to members, look forward though to answering any questions that do come through. Thank you.

**Webinar Host - Ian Gibson (DSPANZ):** No worries. Thanks a lot for that Mark. Perhaps Mark, one question I have is what do you see as the biggest challenges perhaps over the next twelve months?

**Guest Speaker - Mark Stockwell (ATO):** Not an easy question to start off with. One of the biggest?

**Webinar Host - Ian Gibson (DSPANZ):** You've got your roadmap and obviously the underlying assumptions to those roadmaps position certain challenges emerging, and I take your point, I think almost certainly there's going to be a federal election in the first half of next year which always creates a wildcard situation, but what would you think, given digital service providers,

what do you think are going to be some of the bigger challenges we'll face over the next twelve months?

**Guest Speaker - Mark Stockwell (ATO):** Thank you, it is a hard question and a good one. I'll probably put it under a bit of an umbrella of uncertainty. Whilst we try to give as much certainty to members as possible, through roadmaps, through giving timely information, having frameworks so people know what they need to work towards, that's all about providing certainty but as I called out before we're in that world of Covid impact, there is an election as you said around the corner, and we don't know what that could bring for us. And then I mentioned also about the uncertainty of the workforce, I mean people have yet to see really what that means for us, we're seeing the early signs about the challenges it's present to us to keep our delivery to the level we've seen in the past without having people available to support us, so that's certainly challenges that we've got. And not to forget I started with the cyber security and fraud item, these are all really big ticket items, I can't pick my favourite child here because they're all going to be a big challenge for us for the next twelve months but all where we've certainly got our focus and are investing in those spaces.

**Webinar Host - Ian Gibson (DSPANZ):** There does seem to be a theme though in those challenges, I think in one way, shape, or form they do come back to the difficulty of getting the right staff with the right skills in order to be able to deal with them.

**Guest Speaker - Mark Stockwell (ATO):** A hundred percent.

**Webinar Host - Ian Gibson (DSPANZ):** Now I've got a question for Simon, but just to remind the audience if you have any further questions or if you have any questions, please just submit them in the chat facility and I'll make sure they get asked. Simon, I think given your roll as the President of DSPANZ what do you think have been some of the biggest changes that have occurred over the last twelve months from the members perspective?

**Guest Speaker - Simon Foster (DSPANZ):** I think it's the breadth of things we're expected to get across and the speed we're expected to deal with that. Mark has highlighted staff as an issue; we've all had to change the way we've got to work in the last two years, now we're coming out the other side of it, there are the same issues the ATO is running into, how do we retain staff, many of whom are burnt out. JobKeeper was delivered in 18 days on something that probably would have been an 18 month project otherwise. And I think also other areas of government have looked and gone oh DSPs can do so much and they want to do more and more. STP, no one was aware of what that was really pre JobKeeper and now there's a recognition of all the different things it could deliver and so there are lots of people within the economy who would like to take advantage of that and so we're striving a lot of activity and that's where Mark and I and the strategic working group have really sat down and said how do we understand what all of that is and how they interrelate. Whereas previously a lot of this stuff might have been completely separate, it might have been different DSPs who were involved,

now you have DSPs who do many different things and would do payroll and tax. Even if they have only historically looked at payroll, well there's also the time and attendance and the impact of awards and there are other infrastructure things going on, so it's hard to put one thing but it's just the volume of work is only getting bigger.

**Webinar Host - Ian Gibson (DSPANZ):** Fair enough, I think that's certainly the case and it's probably been exacerbated by the incidence of Covid and the uncertainty that that's creating and also just the changes that it's driving in terms of people's working patterns.

**Guest Speaker - Simon Foster (DSPANZ):** Yeah absolutely and that also puts a centrality of cyber security that it is absolutely that all these systems and all this change is being done in a secure manner and that we're protecting our customer's and our partner's data and at the end of the day what is the citizen's of Australia and New Zealand, it's their data that we're working with and it's just vital that we keep that secure and deal with it in a responsible way.

**Webinar Host - Ian Gibson (DSPANZ):** And I think it's obvious to just pick up some of the points that both you and Mark made, there does now seem to be a lot more initiatives and they are sort of impacting each other. I mean from DSPANZ's point of view we see consumer data rights, we've got the critical infrastructure, Mark you referred to the two reviews that have occurred recently in terms of the Operational Framework and SSAM is another. And you also sort of raised as part of that that people want to respond to cyber security, there is an increasing number of cyber security standards or protocols and so your reference to trying to harmonise or streamline that I think is a very important point.

Now we don't have too many questions here, so I better ask another question, I'll try and make it a little bit easier Mark. There are also does seem like several of the initiatives we raised relate to each other within an Australian context, but it does seem to be if you take eInvoicing as a particular example, much greater collaboration occurring internationally, how is that having an impact and how do you see that playing out perhaps in some of the other areas?

**Guest Speaker - Mark Stockwell (ATO):** It's a fantastic initiative to learn with that interaction how that's going to work for us here at the ATO particularly, but more broadly in government because we do share our networks. So sometimes other departments might want to talk to New Zealand and we can give them a steer as to what department or whatever. So we're kind of forming those relationships and understanding so that from a government perspective has been useful. But also as, and I'll just use eInvoicing as the example, as it is a global initiative as people will be aware, through that though not only do we deal with New Zealand but we're now starting to form partnerships with particularly Singapore in our region but also we're in quite regular contact with people like Malaysia, recently Philippines and Japan more recently who've just become a Peppol authority. So, you know it's expanding our relationships and they all face very very similar issues that we're facing here in Australia, so we're not alone. Security comes up quite regularly in terms of our posture and how we're dealing with that. Importantly one of the key messages I provide to these other countries in this region is about the importance of

the relationship with the digital service provider. We're blessed in this country to have such a strong relationship and such an engaged industry of service providers whereas the models that operate in some of the other countries, aren't as mature as this group are and the relationship we have with them. So we have to keep that in mind when we are dealing with these other countries because they don't have the benefit of that and the things that can happen through that example of change, where it's impossible to do some of the changes in the timeframes without having a relationship with DSPs, and also the government here in Australia having the confidence that they can work with the DSPs to get an outcome for the citizens. Some other countries don't have that same level of confidence or relationship to actually enable that. So that's the first point I'd say about eInvoicing, is the broadening landscape, but I do see the opportunities existing here in that more and more would see opportunities particularly in the trans-Tasman center that's made. The ATO has worked with IRD particularly from a revenue perspective over many years and we've had staff secondments and things like that between the two in the past and we will continue to work closely with IRD on other initiatives as well.

**Webinar Host - Ian Gibson (DSPANZ):** I know that there's been some legislation, I think they've passed or released recently around the digital ID, what do you think that that's going to look like over the next twelve months from the ATO's perspective?

**Guest Speaker - Mark Stockwell (ATO):** Well certainly it's what we see from the maturity; digital ID is a good example of where we've started with what we called IP1 which is a technical term, went to IP2 which is the documents, now we're going to 3 which is the facial. I don't think we're going to go beyond to 4 too quickly because where we are is very advanced and leading many parts of the world. Although other parts of the world are jumping to same level of maturity. What we still need to understand though is the application, how best to use that asset we've basically developed now and I think there's a lot of opportunities for government to actually extend that. Obviously we need to do it in a very governed way so that we're not actually tripping up with the asset we have. But it is going to be something that really has an opportunity to really transform how digital service are provided to the Australian community because it's still an untapped market for us.

**Webinar Host - Ian Gibson (DSPANZ):** That's great, thank you. Another question and I'll perhaps throw this to both of you, there's a lot of data starting to pour into the ATO, this data is obviously quite authoritative given the agency, which makes it also very valuable, and there's also lots of large companies and organisations that would probably like to make access to that, do you want to comment and Simon maybe if you want to position it from the service provider side and Mark from the ATO side, to what extent could people start to make use of that data and how would we protect the privacy of that data so that individuals could be confident about it? And I know Mark you sort of indirectly referred to part of this during your earlier discussion.

**Guest Speaker - Simon Foster (DSPANZ):** The challenge for a DSP in this scenario is when you go beyond tax data, which is legislated what we can do with that, it's very clear what we can

and can't do with that. When you're otherwise dealing with your customer's data and potentially if you have partners via an API, your partner's customer's data and your partner's data, how do you do so in a responsible manner and the legislation legal framework hasn't really caught up with where we sit as technology vendors. It's a real challenge for us. And the ethics of using that data and what you can and can't do, we're struggling to understand that on multiple levels. I know within the Peppol eInvoicing world this is something that people are very conscious of, out of the EU you've got things like GDPR which sets a standard but it often excludes business data. So on one side it's how do you do this in an ethical manner, how do you use that data, but you can't just say you're not going to use it, because there are opportunities in there for DSPs that can understand that and deliver better services for customers and better insights and I think the challenge for us as an industry is to balance that and to come up with ethical models that handle that and some of our members are doing that and some of them are very new to this and perhaps don't see the opportunity and so haven't had to look at that. That's something that we have started looking at, it's in a couple of the consultations where we've spoken to our members to get their understanding on that and obviously you have consumer data right as well coming along and setting some very very strict, perhaps overly strict standards on how that's dealt with. The other comment I'll make, we saw recently a paper presentation put out by Jeremy Hirschhorn Second Commissioner of the ATO, he talked a lot about this, and one of the concepts he put out there, and I think it's very much concept at this stage is that individual businesses and tax payers may not have to give any data to the ATO at some point that when you get to legislation as code and we're starting that journey right now with the Attorney-General's Department, well then you can audit software and if the software meets the requirements of that legislation as code then in many cases the government can rely on the software to deliver the correct amount. So if you've paid it with approved software, they don't need any information. We're not there yet but that's an extra layer of complexity on how you manage data when you're not giving it to the government at all and the DSPs have an even higher level of responsibility to manage that appropriately. So great question and I'll pass to Mark.

**Webinar Host - Ian Gibson (DSPANZ):** Mark maybe if there's an opportunity for you if you can comment on where you see the trend heading in terms of the ATO making towards the data available if possible.

**Guest Speaker - Mark Stockwell (ATO):** Before I do that I'll make a comment which contextualises the question a bit, the ATO is the revenue authority for Australia, we all know that, and when you look at how legislation is being passed and built here for us it has been more and more from a compliance aspect in the past. So what we're talking about here is yes we can use data for better compliance outcomes but a lot of the innovation and thinking is about how can we use that data for customer experience or community benefit. So that might not have a compliance aspect to it, it's about making their life easier and more efficient, so unfortunately we're a little bit hamstrung by some of the existing legislation we have, which is trying to tie everything down because privacy and security are our key principles as the

custodians of very sensitive data, we can't release that without a very strongly governed framework. So things like the data visibility act and things like what we've been talking about will come into play and give a bit more freedom to government to actually start to use the data they hold, how that's going to roll out is a bit uncertain, it's early days for how that looks, but certainly we've talked to many people about innovation and how they can see the ATO assisting the community and business particularly with their day to day. I liked Simon's word of ethics, it's a word that we use here at the ATO a lot about our role as the custodian of data and ethically how could we use that data in the right format, in the right time and obviously that flows through to the relationship we have with DSPs. You mentioned before, and again you've got a responsibility and contractual obligation in many cases with clients about how you use the data that you would hold on their behalf. So your role is very similar to us, maybe we're on a larger scale across the community but it's still the same responsibility and challenge we've got. We all want to make better value for our clients or for the community but the trick is going to be how to do that in a very governed way.

**Webinar Host - Ian Gibson (DSPANZ):** Thanks for that Mark. Now another question that's come up, obviously we've already talked about the fact that there is a large number of programs on at the moment, with those large number of programs it also raises the cost of compliance as an issue for many of our members, obviously people are starting to focus on the cost on compliance, tomorrow's session we're having with the ABS they're going to talk a bit about how they're trying to handle the cost of data provision by companies, I just wondered is there an opportunity for us to work together with the ATO around I suppose taking into account in a more overt way the cost of compliance when various initiatives come up?

**Guest Speaker - Mark Stockwell (ATO):** Sometimes we get a position from government which is let's say well formed, which probably precludes us from allowing us to influence the degree to actually reduce that cost sometimes and again comes back to that point about what is the intent that the government is doing with that piece of legislation, be it about a compliance gap they've identified or issue they identified versus that might be more on the customer experience end or service end. But going back to your point about reducing costs, it's certainly hasn't gone away for many years, the red tape burden that quite often we talk about is still there and any way we can look to reduce those overheads but still meet the government's intent behind compliance and things like that, there's opportunities there no doubt and innovation is probably what we need to help us get to reducing that overhead. I know for example the Operational Framework people would see that as an overhead to actually doing business but at the same time people will also recognise the protection it provides them and the confidence that the client's have in the DSP and their services that they provide knowing that it's protected.

**Webinar Host - Ian Gibson (DSPANZ):** I think we'll probably have time for one more question after this, but I think that it is interesting, there are trends you can see with the latest release of changes for the consumer data rights there's much more focus on reducing the cost of

compliance there. You know the ABS is looking at it in it's data gathering, they're trying to reduce the cost of compliance there, I think it was interesting with the critical infrastructure consultations that have gone on recently, one of the issues there was the co-design of the cyber requirements and I think that's probably going to be a trend that I think will continue to expand because I think if we can work together there's more of an opportunity to achieve the outcome but in a way that makes sense for our members perspective. I don't know Simon if you wanted to add to that at all.

**Guest Speaker - Simon Foster (DSPANZ):** Yeah and interestingly the Department of Home Affairs did approach us some months ago because they're now beginning to look at non-critical infrastructure, so the cyber security across the entire economy, not just things that are critical. That's where some of the work that we've done particularly around the SSAM to a degree of standardisation and trying to avoid repeating the same in different ways to different organisations, which we know frustrates our members and probably frustrates procurement departments as well. There's definitely an issue there and I think the ABS has come up with a really interesting model where they're connecting to existing DSP APIs and getting the data using infrastructure that already exists as opposed to designing a completely new delivery mechanism and then legislating that you have to give it. It's a really interesting model and one hopefully we'll see across other agencies and other parts of the world because it does reduce that cost implication for DSPs to be able to comply with those various new programs that get introduced.

**Webinar Host - Ian Gibson (DSPANZ):** I've noted the time and we're just about closed so I'd like to take this opportunity to thank everyone for their attendance today, I'd like to thank Mark and Simon for their very interesting presentations and also responses to the sometimes difficult questions and I'd like to remind everyone we do have another session this afternoon at 2pm by Patrick Fair on Critical Infrastructure. I can assure you that Patrick is a very knowledgeable person on this area and it will be a very interesting presentation and I encourage everyone to attend.