Program Protocol

Data matching between Australian Taxation Office and

Services Australia (Centrelink and Child Support)

Single Touch Payroll (STP)

Phase 2

January 2021

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**Definitions**

| Term | Definition |
| --- | --- |
| Data matching | Data matching is the bringing together of two or more sets of data that contain personal information and come from different sources, and the comparison of those data sets with the intention of producing a match. |
| Dwelling Standardisation | A standardisation process that removes unnecessary data from addresses, before the matching process, to make it easier to compare addresses from different sources. For example removal of references to flat or unit. |
| Interim Solution | The first stage of the STP data exchange between the Australian Tax Office (ATO) and the Agency, which provided the technical capability to exchange data in batches. |
| Matching agency | In relation to a data matching program, the agency uses information technology facilities or resources to conduct the data match comparison. |
| Near-real time | The time delay introduced, by automated data processing or network transmission, between the occurrence of an event and the use of the processed data. |
| Pay event | This is the file generated by Single Touch Payroll (STP) enabled software, which includes payments subject to Pay As You Go (PAYG) withholding. |
| Payees | The person who receives a payment - for example, an employee. |
| Payers | The person who makes a payment – for example, an employer or super fund. |
| Person of Interest | Identifies someone who the Agency has a legal authority to request employment income information from for administering welfare, or Child Support, payments or services. |
| Source agency | In relation to a data matching program, it’s the agency whose information technology facilities or resources are used to supply data to Services Australia (the Agency) for the purposes of the program |
| Strategic Solution | The second stage of the Single Touch Payroll data exchange between the ATO and the Agency, which provided the technical capability to exchange data in near real-time. |

**Next review date: July 2021**

1. Description of the protocol program
   1. Background

Single Touch Payroll (STP) is a government initiative to streamline business-reporting obligations to Government.

Payers or their intermediary will be able to report directly to the Australian Taxation Office (ATO) from their payroll solution. They will be able to do this at the same time they pay their payees.

They will be able to report:

* payments such as salaries and wages
* employment conditions
* pay as you go (PAYG) withholding and
* superannuation information.

From 1 July 2019, employers, including small business (19 or fewer employees), began transitioning to STP reporting, unless they have an exemption or concession. Most employers have now transitioned to STP reporting. Find more information about the ATO STP program at [**https://www.ato.gov.au/Business/Single-Touch-Payroll/**](https://www.ato.gov.au/Business/Single-Touch-Payroll/)

Australia’s social security and child support systems rely on a range of income-related information to inform policy and decision-making processes. Payroll systems are a key source of this information, particularly for working age payments. The Agency administers a range of payments and services on behalf of the Commonwealth.

* + 1. The Law that supports Service Australia’s Use of Single Touch Payroll Data

STP was legislated on 16 September 2016, forming part of the Budget Savings (Omnibus) Act 2016.

Legislation stipulated from 1 July 2019, STP expansion to all payers. This was regardless of the number of payees they have as part of the Treasury laws Amendment (2018 Measures No.4) Act 2019.

During 2020, three important changes to legislation occurred that support reporting in STP:

* Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020 (received Royal Assent 6 March 2020) changed the way employment income determines a person’s rate of payment under the social security law. These changes help shift from the complex assessment model that asked customers to report employment income they earned, derived or received in the relevant period. It will move to a much simpler model that asks customers to report income received in the relevant period.
* The Treasury Laws Amendment (2019 Measures No. 3) Act 2020 (received Royal Assent 22 June 2020):
* ensures that the ATO can work out the payer’s superannuation guarantee liability for a payee.
* achieves this by the reporting of ordinary time earnings and sacrificed ordinary time earnings, salary, wages and sacrificed salary and wages.
* The Treasury Laws Amendment (2020 Measures No. 2) Act 2020 (received Royal Assent 3 September 2020) which enables:
* the collection of the child support garnishee and deduction amounts by the Commissioner
* the sharing of the child support amounts between the Commissioner and the Registrar of Child Support on an ongoing basis, as it becomes available; and
* employers to fulfil their child support reporting obligations via by voluntarily reporting through STP rather than having to go through a separate remittance process.
  1. Purpose

The purpose of this protocol is to inform the public about the existence and nature of the STP Data matching program (the program) and:

* identify the matching agency and the source agency
* detail the direct relationship of the program to the performance of the lawful functions or activities of the matching agency
* set out the legal basis for any collection, use or disclosure of personal information involved in the program
* outline the objectives of the program, the procedures to be employed, the nature and frequency of the matching covered by the program and the justifications for it
* explain what methods, other than data matching, were available and why they were rejected
* detail any cost/benefit analysis or other measures of effectiveness, which were taken into account in deciding to initiate the program
* outline the technical controls proposed to ensure data quality, integrity and security in the conduct of the program
* outline the nature of the action proposed to be taken in relation to the results of the program
* indicate what form of notice is to be given, or is intended to be given to individuals whose privacy is affected by the program
* specify any time limits on the conduct of the program.
  1. Requirement for a program protocol

The Office of the Australian Information Commissioner’s (OAICs) guidelines on Data matching specifies that agencies conducting certain data matching programs prepare a data matching program protocol data matching.

These guidelines are voluntary, but represent the OAICs view of best practice.

The Agency complies with these guidelines.

The Agency’s Privacy Policy outlines how a person can complain about how the Agency has handled their personal information, and how the Agency will deal with such a complaint. The Agency’s Privacy Policy is available at [**https://www.servicesaustralia.gov.au/individuals/privacy**](https://www.servicesaustralia.gov.au/individuals/privacy)

1. STP Data matching program protocols
   1. Summary of the program

The program involves the Agency matching STP information sourced from the ATO with the personal information it holds about its customers.

Where both the Agency and the ATO[[1]](#footnote-2) know the individual, the program will exchange information between:

* Personal information
* Employer/employee relationship
* Payroll data

In order to operate, the program initially involves identifying people for whom the Agency and the ATO have a relationship (mutual customers). The Agency does this by providing information about its customers and other related individuals, to the ATO. For example partners and ex-partners.

The ATO does this by matching information against ATO records to locate a match. Where the ATO is satisfied they have located a match, the ATO adds the customer to the Mutual Client Register (MCR). The ATO then provides the Agency with STP data for those mutual customers.

The Agency uses new technology solutions to support the transfer of the STP data set from the ATO to the Agency. The Agency uses the STP data set to modernise the way we work, to deliver a simple, helpful, respectful and transparent experience for customers by either:

* enabling pre-filling of employer details, including income amounts, as reported through STP, onto the Agency online services for review by customers
* supporting employers to fulfil their child support reporting obligations by voluntarily reporting through STP. Rather than having to go through a separate remittance process
* supporting the timely confirmation of employment and where appropriate, the establishment of child support employer withholdings
* identifying significant differences between STP income and the income estimate the customer has provided to the Agency. This will facilitate messaging to the customer to suggest they review their income estimate
* identifying Family Tax Benefit customers, based on STP data
* needing to lodge a tax return and complete an ATO ‘Non-lodgement advice’. The Agency may give advice on where they can seek more information on how to lodge
* supporting existing debt recovery processes
* enabling analysis of the data with a view to improving the Agency’s processes.

From December 2020, the Agency introduces a constant near-real time data exchange, known as the strategic solution.

The Agency replaces the program protocol for the interim solution, with this protocol. It deals comprehensively with all solutions and the exchanges of STP data.

Both exchanges will run in parallel for a period until we fully implement the strategic solution. The Agency will then turn off interim STP data exchange.

* 1. Objectives

The objectives of the program are to:

* improve customers’ experience by pre-filling payroll information into the Agency online forms and staff-assisted services, for review and where appropriate, amendment by customers
* support customers by prompting them to update their income estimates. This will in turn help them to get the right rate of payment at the right time
* help customers avoid inadvertently advising they don’t need to lodge a tax return. This will ensure their Family Tax Benefit is accurate
* reduce the employer burden by decreasing contact between employers and the Agency for activities like:
* reporting child support deductions and garnishee amounts
* establishing child support employer withholding
* support existing debt recovery processes by helping the Agency connect with non-current customers and working out their capacity to repay a debt.

These objectives are consistent with the social security law principles of administration[[2]](#footnote-3) the:

* delivery of services under the law in a fair, courteous, prompt and cost efficient manner
* development of a process to monitor and evaluate the delivery of programs with an emphasis on the impact of programs on social security customers
* establishment of procedures to ensure that abuses of the social security system are minimised
* establishment of processes to ensure that periodic amounts payable by parents towards the maintenance of their children[[3]](#footnote-4).

1. Agencies involved
   1. Source agency

The ATO is the only source agency that supplies data to the Agency for the purposes of the program. The ATO relies solely on STP data provided to them from employers reporting through STP.

The ATO conducts an identity matching exercise to determine the relevant STP records to send to the Agency. ATO does this by matching the personal information provided by the Agency with the records of the ATO. Personal information includes Centrelink Customer Reference Numbers (CRN) or Tax File Number (TFN) for Child Support customers. The ATO replies to the Agency by providing STP data reported by the employers, for mutual customers.

The ATO has a limited role in this process. As such, it’s not responsible for the administrative action it provides to the Agency. The role for administrative action based on the personal information belongs to the Agency.

* 1. Matching agency

The Agency, under relevant legislation collects STP data about people where it requires the data to administer payments and services. For example, in determining the correct rate of social security payment for a customer.

We match the STP data collected against the Agency’s records. The Agency will use to data to deliver the objectives described in section 2.2.

* 1. User agency

The Agency is the sole agency that makes use of the program’s results.

1. Data issues
   1. Data elements

The Agency will disclose personal information about individuals who are in scope for this program. The Agency will only do this where it’s lawful for this disclosure to occur. Individuals, who are in scope for this program, are:

* A person who is a customer, who is in receipt of, or claiming a payment or service such as:
  + an income support payment
  + family assistance payments
  + Low Income Card
  + a child support customer.
* A person who is a related individual whose income may have an effect on the eligibility or ongoing entitlement to a payment, of a customer. A related individual may be a partner/ex-partner who is or was, in a relevant period, considered by the Agency as confirmed by both the customer and partner, to be a partner of a customer.
* A person who is a non-current customer, has an outstanding debt to the Agency and where it’s their responsibility to repay a debt.

The type of information disclosed to the ATO for each of these individuals within the interim solution is:

* Given Name
* Family Name
* Date of Birth
* Address Australian (Current and previous)
* Gender
* Assigned Centrelink CRN or TFN (Child Support only).

When we introduce the strategic solution, the data will change to the following:

* Given Name
* Family Name
* Date of Birth
* Address Australian (Current and previous)
* Assigned Centrelink CRN or TFN (Child Support only)
* Telephone number
* Email address.

Where the ATO is able to match this client information with a high level of confidence, to an ATO client, the ATO establishes a mutual client relationship. This matched relationship will provide the confirmation for the exchange of STP data to commence for that mutual client.

The information returned to the Agency via the STP data exchange will contain the mutual customer’s personal information the Agency provided to the ATO including:

* CRN or TFN as described above, their employer’s information, such as Business Name, Australian Business Number (ABN), contact details as well as payroll information such as:
* year to date salary and wage details including income, allowances, deductions and employment termination payments
* pay period details, including:
* start and end dates
* payment dates
* employment commencement and cessation dates.

Full details of the data elements are set out in **Appendix A – Technical Standards Report**.

The Agency will notify the ATO when an individual is no longer a person of interest, and the ATO will cease sharing STP data for that individual.

* 1. Number of records in the data exchange

During the 2019-2020 financial year, the Agency received approximately 288 million pay events from the ATO. From July 2020, the Agency estimates that it will receive approximately 205 million pay events per annum for approximately 10 to 12 million individuals. The number of individuals for whom this protocol applies may change due to events such as the impact of COVID-19 on the economic environment.

* 1. Data quality

Poor quality data is of limited value in data matching. The Agency verifies the quality and integrity of the data received from the ATO.

Data quality mechanisms include:

* The ATO only provides data for mutual customers where it has a high level of confidence they have identified the correct individual
* The Agency conducts data quality assurance processes to ensure:
* confidence with the match of the identity of the payee in the STP data, to the identity of a person of interest
* the STP data is validated to ensure that it contains the required data elements
* the Agency identifies unexpected or out of order payroll processing of the STP data, it flags the STP data. This ensures the flagged data is scrutinised before it’s used.

The Agency applies systems driven business rules to identify where data doesn’t meet a high standard of data quality. The Agencies won’t use data that doesn’t pass data quality assurance processes in the administration of activities described in this program.

The Agency and the ATO analyse the data that doesn’t pass the Data quality assurance process to identify its cause. Both the Agency and the ATO are responsible for maintaining the integrity of the data exchange through an exceptions handling process.

Under this process, each agency is obliged to notify the other agency promptly of any data issues and incomplete records. They are obliged to work together to resolve the issues. They must also ensure each agency adheres to the agreed, secure procedures for data transfer and storage.

Before it’s used, the Agency presents STP data to customers for review and confirmation. Where an individual believes that the Agency presented information to them is incorrect, they will be able to edit it. Where a customer edits information, the Agency flags the data for further analysis to determine if there has been a data quality issue. This analysis will used to develop additional system driven business rules if required.

* 1. Data integrity

The Agency maintains a high level of data integrity. Measures taken to maintain integrity levels include:

* designing systems that won’t accept records that are incomplete
* identifying records that have data items that meet data integrity standards.

In relation to the program, if the Agency can’t confirm a person of interest as a mutual client, it won’t exchange STP data.

The Agency has legislative obligations to administer welfare payments and services, which demand the maintenance of high quality data. The Agency works collaboratively with the ATO to develop quality assurance processes that ensure we haven’t compromised the integrity of the data.

The Agency discloses STP data in accordance with reporting specifications including record layout and data format for each record. The Agency will standardise the format of the data collected before it’s loaded into the Agency computer systems.

* 1. Data security

The ATO and the Agency exchange data using dedicated secure government links. This mechanism provides trusted communications across government.

All data held by the Agency from the ATO is in secure storage databases, within Federal Government data centres. These Agency systems employ strict security controls. Only Agency staff with a business need to access data are able to view the data provided under this program.

Agency staff are subject to statutory secrecy and confidentiality provisions, including under the:

* Social Security (Administration) Act 1999
* Public Service Act 1999
* Criminal Code Act 1995.

The Agency is also subject to the Privacy Act 1988. Access to the Agency’s computer centres is strictly controlled and entry properly authorised. The Agency’s security system provides protection and control of:

* dataset access
* system entry
* program integrity.

Security features include logon identification codes, passwords and security groupings to ensure access to information is on a needs only basis.

Existing security arrangements in the Agency automatically log user access to data files.

Additional security will be in place for the data received as part of this data matching process. The Agency will quarantine data in a separate database, up until data matching occurs. This occurs with access strictly limited to officers required to facilitate the delivery of this program.

The ATO is responsible for both:

* its own security with respect to its staff
* access to the data provided to the Agency.

The ATO is subject to existing security controls and subject to the:

* Privacy Act 1988
* Taxation Administration Act 1953
* Criminal Code Act 1995
* Public Service Act 1999.

Access to the ATO’s computer systems is limited and is subject to requests for system access, which include reminders about:

* privacy and taxpayer confidentiality
* security obligations.

Security features include logon identification codes and passwords. All access to systems is monitored and logged.

Access to the ATO’s computer systems aligns with the:

* Protective Security Policy Framework (PSPF)
* Australian Government Information Security Manual (ISM).

It’s also subject to requests for system access, which include reminders about privacy and security obligations.

1. The data matching process

The ATO will provide the source data to the Agency.

**Entity Activities**

**Services Australia** The Agency to manage MCR requests for persons of interest. The Agency matches the STP data returned by the ATO to confirm the Agency has linked to the correct person of interest, and then utilises the data within business processes if applicable.

**Australian Tax Office**  The ATO to process MCR request, match the clients of interest, and exchange related STP data if applicable and available, with the Agency.

The purpose of the MCR is to identify and flag mutual ATO and Agency clients for STP data sharing. This will ensure the Agency only gets STP data where we have the legal authority to support the collection.

Not every Agency person of interest is an ATO client. The ATO uses personal information provided by the Agency to confirm they are a mutual client. These program protocols only relate to data matching undertaken by the Agency.

Further detail regarding the ATO identity matching activities can be found in **Appendix A – Matching Techniques**.

The Agency matches all STP records against existing the Agency records. It uses technical software capabilities to compare elements and combinations of the fields to determine matches, for each person of interest. For the interim solution, the elements used to match records includes:

* Person Given Name
* Person Family Name
* Person Date of Birth
* assigned Centrelink Reference Number (CRN)
* Tax File Number (Child Support only).

For the Agency to confirm a match for a customer, all the elements listed above, must match when comparing STP data.

The Agency makes the data available for the activities described in Section 2.1 where both:

* the Agency confirms a match
* passes additional data quality checks.

The introduction of the strategic solution will also see the inclusion of more elements in the matching process.

* Person Given Name
* Person Family Name
* Person Date of Birth
* Assigned Centrelink Reference Number (CRN)
* Tax File Number (TFN)  (Child Support only)
* Address (line 1 and line 2)
* Address Australian State or Territory
* Address Australian Postcode
* Telephone number
* Email address.

These elements encapsulate and define the business rules for matching.

To confirm a match for a customer, all these elements must match when the Agency compares STP data with corresponding fields in Agency records.

Where a match isn’t achieved, the record is quarantined for further analysis. This is to ensure Agency confidence in matching the record correctly.

After joint analysis, if the quarantined record still doesn’t match the Agency’s customer data, or is no longer needed, it’s destroyed. The Agency destroys it in accordance with Guideline 7 of the Data matching guidelines.

In addition to the processes described above, a specific exceptions process applies. The exception is when the ATO gets an STP report from either:

* an employer which includes child support deductions
* garnishee amounts for an individual who is not on the MCR.

In these instances, the ATO provides a separate ‘exceptions file’ to the Child Support program. It contains the specific details of the pay event, which enables them to identify to whom the deduction belongs.

1. Action resulting from the program

The Agency won’t solely rely on any matched STP data to make decisions affecting customers’ eligibility, entitlements, or child support assessments.

ATO discloses STP data to the Agency to inform further enquiries. Where relevant, we confirm its accuracy through contact with the customer or referring to a reliable secondary source of data.

The Agency will use STP data to prefill online forms where customers are required to provide employment income details. For example when a customer reports employment income. This function will expand during 2021 to include pre-filling online claims. Customers will have the ability to view, amend or confirm the information pre-filled into an online form.

By presenting customers with the information the Agency has about their employment circumstances, the Agency will be able to:

* assist customers to more efficiently and accurately report their income
* enable early intervention to educate customers about what information they need to give, to meet their income reporting obligations
* deter behaviours so customers adhere to their reporting obligations
* support existing enforcement and recovery activities.

STP data gives the Agency another data source about a customer’s employment. Any inconsistency between the STP data values and those reported to the Agency by a customer may need clarification. This is to determine if a customer is getting the appropriate amount of payment under the relevant legislation.

With the introduction of the strategic solution, employers can voluntarily fulfil their obligations to report child support deductions. This negates the more complicated and existing remittance process.

The Agency will use STP data to enable:

* pathways and processes that reduce red tape and multiple steps for customers and their employers
* details to be told once by employers
* assist with early access to the services and support customers need
* informed staff who provide proactive, personalised services
* help with information so a customer knows what to do next
* servicing options that respect customers’ time and circumstances.

1. Time limits applying to the program

From December 2020, through the strategic solution, the exchange of data covered by this protocol will move to a constant near real-time process.

**Class no. Description of records Disposal action**

60682 Summary of individual client data Retain as national archives

(Requirement) with personal identity details

including names and service

history. The Agency will use

this to ensure customer

uniqueness of records in

management databases for

payments and service delivery

over time.

The agency will destroy unmatched data, provided by the ATO for this program, within 90 days. This is in accordance with Guideline 7 of the Data-matching guidelines. For example, data that isn’t either matched to an individual or needed in the national archives will be destroyed.

Where STP data matches a customer and further action is required for that individual, the Agency keeps the data as national archives. The Agency will manage its disposal in accordance with the National Archives of Australia’s General Disposal Authority 24 – Records Relating to Data Matching Exercises (the Disposal Authority).

ATO destroys STP data in accordance the Disposal Authority where the following occurs:

* obtained by the Agency for use in this program
* matched to an individual customer
* decided to take no further action and
* is no longer required under Social Security (Administration) Act 1999 paragraph 8.

The Agency is responsible for notifying the ATO when an individual is no longer of interest. With the introduction of the strategic solution, the Agency will notify the ATO by a data message sent in near real-time. The ATO will take the necessary action to stop the identity matching of that individual and the disclosure of that individual’s data to the Agency.

The Agency and ATO will review the data retention and management policies on an annual basis.

1. Public notice – STP data matching program

The Agency will notify the public of our intention to undertake this program by publishing:

* a notice in the Federal Register of Legislation - Gazettes in the week commencing  
  1 February 2021.
* this program protocol on the Agency’s website. The Agency’s [Privacy Policy](https://www.humanservices.gov.au/organisations/about-us/publications-and-resources/privacy-policy) includes information about disclosures to and collections from the ATO for data matching purposes.

1. Reasons for conducting the program
   1. Relationship with lawful functions

This program relates to the principles of administration of the Social Security (Administration) Act 1999, as set out in section 8, which includes:

* delivering services in a fair, courteous, prompt and cost-efficient manner
* developing a process of monitoring and evaluating program delivery taking into account the impact of programs on social security customers
* establishing procedures to ensure that abuses of the social security system are minimised.

The program also relates to the objectives of the Child Support (Registration and Collection) Act 1988, as set out in section 3, and includes:

* children get the financial support from their parents that they are able to provide
* regular and timely periodic payments by parents towards the maintenance of their children.

The Agency and the ATO makes sure all information exchanges (collections and disclosures) are in accordance with the law, specifically:

* Social Security Act 1991 (Cth),
* Social Security (Administration) Act 1999 (Cth),
* A New Tax System (Family Assistance) (Administration) Act 1999,
* New Tax System (Family Assistance) Act 1999 (Cth),
* Farm Household Support Act 2014 (Cth),
* Student Assistance Act 1973 (Cth),
* Paid Parental Leave Act 2010 (Cth),
* Child Support (Registration and Collection) Act 1988 (Cth),
* Child Support (Assessment) Act 1989 (Cth)
* Income Tax Assessment Act 1936,
* Taxation Administration Act 1953 (Cth); and
* Privacy Act 1988 (Cth).

The Agency must meet eligibility criteria to make social security payments under the:

* Social Security Act 1991
* Social Security (Administration) Act 1999.

Similarly, the other Acts provide relevant eligibility criteria for their respective payments and benefits provided for under that legislation.

* The Agency is required to take into account both the income and assets of the customer and a related individual when:
* assessing eligibility, and
* if the Agency can pay an individual a payment or benefit.

For child support to enable accurate assessment and collection rates these Acts stipulate that customers advise correct financial status:

* Child Support (Registration and Collection) Act 1988
* Child Support (Assessment) Act 1989.

1. Legal authority
   1. Services Australia

The Agency complies with the Privacy Act 1988 and relevant secrecy provisions, including but not limited to those, contained in:

* Division 3 (Confidentiality) of Part 5 (Information management) of the Social Security (Administration) Act 1999
* Division 2 (Confidentiality) of Part 6 (Provisions relating to information) of A New Tax System (Family Assistance) (Administration) Act 1999
* Division 3 (Confidentiality) of Part 10 (Administration) of the Student Assistance Act 1973
* Division 3 of Part 4-1 (Information gathering) of the Paid Parental Leave Act 2010
* Part 5 (Application and modification of the Social Security Act and Social Security Administration Act) of the Farm Household Support Act 2014
* Part 8 (Administration), section 150D of the Child Support (Assessment) Act 1989
* Part 2(Administration), section 16C of the Child Support (Registration and Collection) Act 1988.

The Agency will disclose customer information to the ATO to facilitate the collection of STP data from the ATO. This disclosure is authorised by legislation and ensures that the Agency only collects information about relevant individuals.

Australian Privacy Principle 6 (APP 6) doesn’t limit the disclosure of personal information by an agency where disclosure is required or authorised by or under law.

In accordance with the requirements of APP 6, the Agency discloses the information under relevant legislation.

The Agency collects the STP data provided by the ATO. The Agency uses this data for the purposes the Agency obtains it. The Agency won’t use this data for secondary purposes unless authorised by law. The Agency will make a record of and use protected information[[4]](#footnote-5) in accordance with relevant legislation as noted above.

The Agency complies with the Privacy (Tax File Number) Rule 2015[[5]](#footnote-6). The Agency only deals with Tax File Numbers (TFN) where we are:

* expressly authorised under legislation
* where the officers who manage that data have received specific training.

For more information, see the Agency’s [Privacy Policy](https://www.servicesaustralia.gov.au/individuals/privacy).

* 1. The ATO

The ATO will only disclose STP data to the Agency in relation to those individuals identified as of mutual interest.

The ATO only releases the required information to the Agency to allow it to administer payments and services correctly under its relevant legislation:

* Division 355 (Confidentiality of taxpayer information) of Part 5-1 (The Australian Taxation Office) of the Taxation Administration Act 1953.

This legislation authorises the ATO to disclose information to the Agency dealing with:

* matters relating to social security law
* pensions, benefits and allowances
* financial assistance to students
* trade support loans
* paid parental leave
* family assistance and
* child support.

1. Alternative methods

Currently, no other methods support the objectives of this program.

1. Prior data matching programs

This program protocol is a revised version of the document published in September 2020.

This data matching protocol describes changes made to the Agency STP data matching program due to the introduction of a new technical capability. The new capability allows the exchange STP data in near real-time.

Since July 2019, the Agency has received and analysed over 300 million STP pay events as part of discovery activities, including developing processes that:

* identify and manage possible data quality issues
* deliver services under the law in a fair, courteous, prompt and cost efficient manner.

The Agency has undertaken small-scale pilots since May 2020. These were to test that STP data delivers on the objectives of this program.

The Agency conducted a larger scale pilot during the period from September 2020 to November 2020. As part of the pilot, the Agency pre-filled employer details onto 60,000 customer records more than 110,000 times.

The pilot confirmed the data quality assurance processes undertaken by the Agency were robust and effective.

1. Costs and benefits for data matching programs

Financial benefits

The activities described in this program are part of the 2019/20 Federal Budget Measures:

* ‘Single Touch Payroll - expansion’
* ‘Changing the Social Security Income Assessment Model’.

The Agency expects these measures to deliver $2.1 billion in financial benefits over four years. It will derive efficiencies from these measures through more accurate reporting of incomes. This will help income support recipients from the likelihood of getting an overpayment and having to repay it.

The Agency and the ATO will incur costs to conduct the data matching program. The Agency and the ATO will offset with the benefits delivered by the program.

The ‘Single Touch Payroll — expansion’ measure provided funding of $82.4 million over four years from 2019-20 to establish the capability for the ATO to share STP data with other Commonwealth Agencies.

The costs include:

* new technical solutions to exchange STP data between ATO and the Agency
* data analyst resources to identify and analyse the data to detect data quality issues
* governance resources to ensure compliance with the guidelines and Privacy Act, and quality assurance processes to ensure the rigor of the work undertaken by analysts and staff
* resources for the purposes of data discovery, pilots, implementation of the use of STP data, and
* secure storage of the data.

Key benefits for stakeholders

Employers will see a reduction in administrative burden and realisation of the benefits of the STP investment from fewer ad-hoc requests for employment information from Government and employees, and streamlined processes for ongoing reporting of payroll information.

Individuals will have fewer touchpoints with Government, simplified reporting obligations and greater confidence in the accuracy of welfare payments.

Government will have a more complete evidence-base from which a range of activity will benefit:

* make better policy and payment decisions
* enhance the integrity of the welfare payment system
* create new opportunities to automate
* enhance existing processes to improve government efficiency.

1. Appendix A – Technical standards report

**Description of data**

**Data from Services Australia to the ATO**

For the purposes of identifying clients of mutual interest, the Agency will provide to the ATO the following data items:

**Table 1 – Centrelink Identity File**

For accessibility requirements, refer to **Appendix B** for a plain text version of this table.

| **Interim Solution Data Element Description** | **Strategic Solution Data Element Description** |
| --- | --- |
| Centrelink Customer Reference Number (CRN) | Agency Identifier (CLK) |
| Person Date of Birth | Centrelink Customer Reference Number (CRN) |
| Person Gender | Person Date of Birth |
| Person Family Name | Person Gender |
| Person Given Name | Person Family Name |
| Address Type | Person Given Name |
| Address Australian (line 1 and line 2) | Address Australian (line 1 and line 2) |
| Address Locality Name | Address Locality Name |
| Address Australian Postcode | Address Australian Postcode |
| Address Australian State or Territory | Address Australian State or Territory |
| Address Date of Effect (DOE) | Telephone Number |
|  | Email Address |

**Data returned from the ATO to Services Australia**

Where the ATO achieves a high confidence identity match, it will provide to the Agency each of the following data items:

**Diagram 1 – Returned STP Interim Solution Pay Event Data Descriptions**

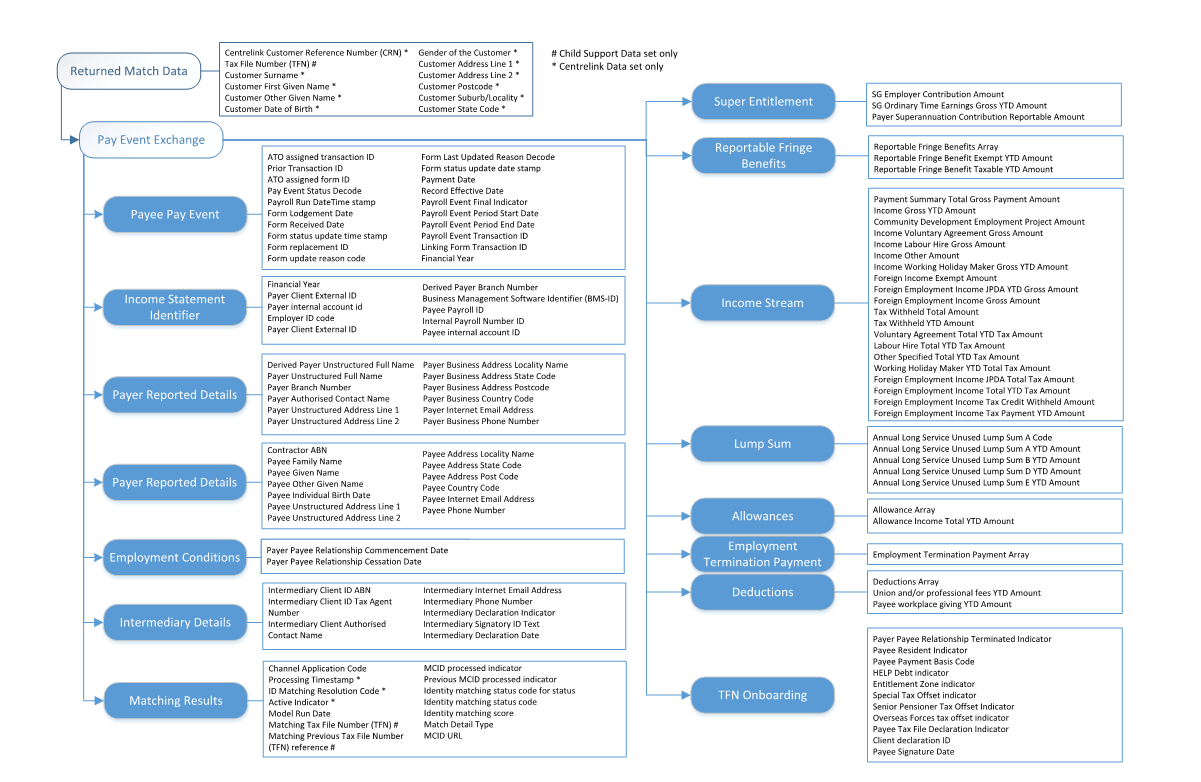
For accessibility requirements, refer to **Appendix B** for a plain text version of this data structure.

**Note:**

Data elements without a symbol are included in both the Centrelink and the child support data file

\* denotes a data element that is only included in the Centrelink data file

# denotes a data element that is only included in the child support data file



**Diagram 2 – Returned STP strategic solution pay event data descriptions**

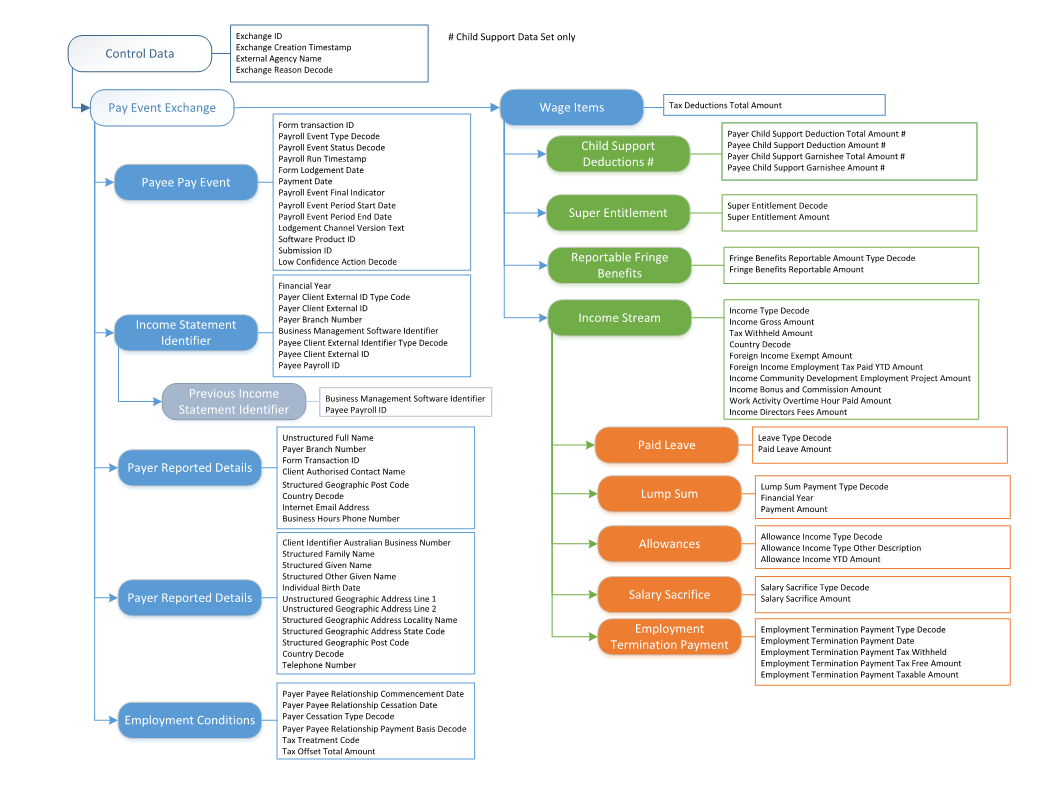
For accessibility requirements, refer to **Appendix B** for a plain text version of this data structure.

**Note:**

Data elements without a symbol are included in both the Centrelink and the child support data file

\* denotes a data element that is only included in the Centrelink data file

# denotes a data element that is only included in the Child Support data file



**Matching techniques**

**Identity matching**

Services Australia and the ATO have established a Mutual Client Register (MCR). The purpose of the MCR is to identify mutual ATO and Agency’s persons of interest to facilitate the sharing of STP data. This is to ensure where it’s authorised under law that the:

* ATO only discloses
* Agency only collects STP data

The ATO doesn’t match every Agency customer with an ATO client to be added to the MCR. This is likely a result of the individual not being in the tax system due to not having been in paid employment. These customers are outside the scope of this program.

The ATO uses personal information provided by the Agency, through an identity matching process. This determines the relevant STP records sent to the Agency. The ATO doesn’t take any administrative action using the personal information provided by the Agency. These program protocols relate to the data matching undertaken by the Agency under both the interim solution and its ultimate replacement - the strategic solution.

The Agency performs an additional identity match of all ‘matched’ ATO STP records with existing Agency records. The Agency uses technical software to compare various elements or combinations of the following fields. Doing this determines matches, for each customer of interest.

**Interim solution:**

* Person Given Name
* Person Family Name
* Person Date of Birth
* Address Australian (Current and previous)
* Assigned Centrelink Customer Reference Number (CRN), or
* Tax File Number (TFN) (Child Support only).

For the Agency to compare and then confirm a match in each of the fields listed above it must match both:

* STP data
* to corresponding fields in the Agency records.

The Agency makes data available for use in the activities described in Section 2.1 where the Agency:

* confirms a match
* passes additional data quality checks.

Where a match isn’t achieved, the record is quarantined for further analysis.

**Strategic Solution:**

* Person Given Name
* Person Family Name
* Person Date of Birth
* Assigned Centrelink Customer Reference Number (CRN), or
* Tax File Number (TFN)  (Child Support only)
* Address Australian (line 1 and line 2)
* Address Australian State or Territory
* Address Australian Postcode.

For the Agency to confirm a match, each of the fields listed above must match when we compare both:

* STP data
* corresponding fields in the Agency records.

Note the address line 1 and line 2 uses a ‘Dwelling’ transform. Where a match isn’t achieved, the record is quarantined for further analysis.

Where the Agency confirms a match and the STP data passes additional data quality checks, it’s available to be used for the activities described in Section 2.1.

The Agency, in accordance with Guideline 7 of the Data matching guidelines, destroys quarantined records that:

* can’t be matched
* are identified as no longer required.

**Payroll information matching**

STP data provides the Agency with another data source about a customer’s employment. The Agency matches it against data extracted from internal records.

Any significant inconsistency between the STP data values and those reported to the Agency by a customer may require clarification. This will determine whether a customer is receiving the appropriate amount of payment under the relevant legislation.

**Risks**

**Incorrect identity matches**

There is a risk the Agency could use payroll information for the wrong individual in the event of an incorrect match. The Agency undertakes additional identify matching processes on the records matched by the ATO.

The Agency uses sophisticated identity matching techniques to ensure we identify the correct individual. The ATO only sends the Agency STP data when they are confident that they have the right match. ATO does this by matching the right payroll information to the right the Agency record.

The Agency then conducts an additional matching process to confirm that this match is correct. The Agency technique uses multiple details to obtain an identity match. This is includes first name, surname and date of birth.

A match occurs where all elements match a customer in the Agency systems. The Agency may undertake additional manual processes to confirm:

* a match if an initial match doesn’t occur
* where the match outcome identifies more than one possible match.

**Services Australia making invalid STP data requests to the ATO**

The Agency has develop system driven business rules to determine correctly valid STP data requests.

This removes the potential for human error. The Agency routinely reviews the outcome of this system drive rule to ensure they are delivering the expected outcome.

An independent third party reviews this process to ensure it meets privacy and legal requirements.

**Data quality controls and audit**

In general, the most common causes of data quality issues are as follows:

1. Issues caused by data entry processes
2. Issues caused by data processing functions
3. Issues caused by system design
4. Issues caused by fixing issues
5. Issues caused by data migration
6. Issues caused by data exchanges.

The STP Data quality assurance process considers the above common causes with data inspection, standardisation, validation, enrichment and quarantine control processes.

These steps provide confidence that:

* the identity of the Payee in the STP data **is matched** to the identity of the customer it has been reported;
* the identity of the Payee in the STP data **is not matched** to the identity of more than one customer;
* where any key data elements fail validation that the STP data is not made available for use; and
* unexpected or out of order payroll processing of the STP data can be identified.

The Agency won’t solely rely on any matched STP data to make decisions affecting a customer’s:

* eligibility
* entitlements
* Child support assessments.

Before STP data is used, system driven business rules perform additional checks that the data is correct and accurate. This includes ensuring the Agency identifies the correct customer or partner and gives customers the opportunity to correct the information.

**Security and confidentiality**

The risks in storage and access in relation to STP information are the same as other information managed by the Agency. There is no handling of STP information by an external third party during exchanges between the ATO and the Agency. In addition, the Agency doesn’t store any information it receives, on an external system.

All the Agency computer systems used for the information flows or storage of the STP information align to both the:

* Protective Security Policy Framework
* Australian Government Information Security Manual.

The Agency controls these, with features including:

* system access controls and security groupings
* login identification codes and password protection
* all access is logged at the record level with full audit trails of data files and system accesses
* access to the data will be restricted to a defined group of approved users for an approved business use
* the standard for protecting data at rest is encryption, which protects against attempts to access data outside established application interfaces.

1. Appendix B – Accessibility requirements

**Description of Data**

**Data from Services Australia to the ATO**

For the purposes of identifying clients of mutual interest, Services Australia will provide to the ATO the following data items:

**Centrelink Identity File**

Interim Solution Data Element Description

Centrelink Customer Reference Number (CRN)

Person Date of Birth

Person Gender

Person Family Name

Person Given Name

Address Type

Address Australian (Line 1 and Line 2)

Address Locality Name

Address Australian Postcode

Address Australian State or Territory

Address Date of Effect (DOE)

Strategic Solution Data Element Description

Agency Identifier (CLK)

Centrelink Customer Reference Number (CRN)

Person Date of Birth

Person Gender

Person Family Name

Person Given Name

Address Australian (Line 1 and Line 2)

Address Locality Name

Address Australian Postcode

Address Australian State or Territory

Telephone Number

Email Address

**Data structure 1: Returned STP Interim Solution Pay Event Data Descriptions**

**Note:** This content refers to **Appendix A, Diagram 1**.

Data elements without a symbol are included in both the Centrelink and the child support data file.

\* denotes a data element that is only included in the Centrelink data file

# denotes a data element that is only included in the child support data file

Returned Match Data

Centrelink Customer Reference Number (CRN) \* Tax File Number (TFN) #

Customer Surname \* Customer First Given Name \*

Customer Other Given Name \* Customer Date of Birth \*

Gender of the Customer \* Customer Address Line 1 \*

Customer Address Line 2 \* Customer Postcode \*

Customer Suburb/Locality \* Customer State Code \*

Pay Event Exchange

1. Payee Pay Event

ATO assigned transaction ID Prior transaction ID

ATO assigned form ID Pay event status decode

Payroll run date time stamp Form lodgement date

Form received date Form status update time stamp

Form replacement ID Form update reason code

Form last updated reason decode Form status update date stamp

Payment date Record effective date

Payroll event final indicator Payroll event period start date

Payroll event period end date Payroll event transaction ID

Linking form transaction ID Financial Year

1. Income Statement Identifier

Financial Year Payer client external ID

Payer internal account ID Employer ID code

Payer client external ID Derived payer branch number

Business Management Software Identifier Payee payroll ID

Internal payroll number ID Payee internal account ID

1. Payer Reported Details

Derived payer unstructured full name Payer unstructured full name

Payer branch name Payer authorised contact name

Payer unstructured address line 1 Payer unstructured address line 2

Payer business address locality name Payer business address state code

Payer business address Postcode Payer business country code

Payer Internet email address Payer business phone number

1. Payee Reported Details

Contractor ABN Payee family name

Payee given name Payee other given name

Payee individual birth date Payee unstructured address line 1

Payee unstructured address line 2 Payee address locality name

Payee address state code Payee address postcode

Payee country code Payee internet email address

Payee phone number

1. Employment Conditions

Payer payee relationship commencement date

Payer payee relationship cessation date

1. Intermediary Details

Intermediary client ID ABN Intermediary client ID Tax Agent Number

Intermediary client authorised contact name Intermediary internet email address

Intermediary phone number Intermediary declaration indicator

Intermediary signatory ID text Intermediary declaration date

1. Matching Results

Channel application code Processing timestamp \*

ID matching resolution code \* Active indicator \*

Model run date Matching Tax File Number (TFN) #

Matching previous Tax File Number (TFN) reference #

MCID processed indicator

Previous MCID processed indicator Identity matching status code for status

Identity matching status code Identity matching score

Match detail type MCID URL

1. Super Entitlement

SG employer contribution amount

SG ordinary time earnings gross YTD amount

Payer superannuation contribution reportable amount

1. Reportable Fringe Benefits

Reportable Fringe Benefits array

Reportable Fringe Benefit exempt YTD amount

Reportable Fringe Benefit taxable YTD amount

1. Income Stream

Payment summary total gross payment amount

Income gross YTD amount

Community development employment project amount

Income labour hire gross amount

Income voluntary agreement gross amount

Income other amount

Income working holiday maker gross YTD amount

Foreign income exempt amount

Foreign employment income JPDA YTD gross amount

Tax withheld total amount

Foreign employment income gross amount

Tax withheld YTD amount

Voluntary agreement total YTD tax amount

Labour hire total YTD tax amount

Other specified total YTD tax amount

Working holiday maker YTD total tax amount

Foreign employment income JPDA total YTD gross amount

Foreign employment income total YTD tax amount

Foreign employment income tax credit withheld amount

Foreign employment income tax payment YTD amount

1. Lump Sum

Annual long service unused lump sum A code

Annual long service unused lump sum A YTD amount

Annual long service unused lump sum B YTD amount

Annual long service unused lump sum D YTD amount

Annual long service unused lump sum E YTD amount

1. Allowances

Allowance array

Allowance income total YTD amount

1. Employment Termination Payment

Employment Termination payment array

1. Deductions

Deductions array

Union and/or professional fees YTD amount

Payee workplace giving YTD amount

1. TFN Onboarding

Payer Payee relationship Termination indicator

Payee resident indicator Payee payment basis code

HELP debt indicator Entitlement Zone indicator

Special tax offset indicator Senior pensioner tax offset indicator

Overseas Forces tax offset indicator Payee Tax File Declaration indicator

Client declaration ID Payee signature date

End of Returned STP Interim Solution Pay Event Data Descriptions data structure.

**Data structure 2: Returned STP Strategic Solution Pay Event Data Descriptions**

This content refers to **Appendix A, Diagram 2**.

**Note:**

Data elements without a symbol are included in both the Centrelink and the child support data file.

\* denotes a data element that is only included in the Centrelink data file

# denotes a data element that is only included in the child support data file

Control Data

Exchange ID Exchange creation timestamp

Exchange Agency name Exchange reason decode

Pay Event Exchange

1. Payee Pay Event

Form transaction ID Payroll event type decode

Payroll event status decode Payroll run timestamp

Form lodgement date Payment date

Payroll event final indicator Payroll event period start date

Payroll event period end date Lodgement channel version text

Software product ID Submission ID

Low confidence action decode

1. Income Statement Identifier

Financial Year

Payer client external ID type code

Payer client external ID

Payer Branch Number

Business Management Software Identifier

Payee client external identifier type decode

Payee client external ID

Payee Payroll ID

Previous Income Statement Identifier

Business Management Software Identifier Payee Payroll ID

1. Payer Reported Details

Unstructured full name Payer Branch Number

Form transaction ID Client authorised contact name

Structured geographic post code Country decode

Internet email address Business hours phone number

1. Payee Reported Details

Client identifier Australian Business Number

Structured Family name

Structured given name

Structured other given name

Individual birth date

Unstructured geographic address line 1

Unstructured Geographic address line 2

Unstructured geographic address locality name

Structured geographic address State code

Structured geographic Post Code

Country decode

Telephone number

1. Employment Conditions

Payer Payee relationship commencement date

Payer Payee relationship cessation date

Payer cessation type decode

Payer Payee relationship payment basis decode

Tax treatment code

Tax offset total amount

1. Wage Items

Tax deductions total amount

Child support Deductions #

Payer child support deduction total amount #

Payee child support deduction amount #

Payer child support Garnishee total amount #

Payee child support Garnishee amount #

Super Entitlement

Super entitlement decode

Super entitlement amount

Reportable Fringe Benefits

Fringe Benefits Reportable amount type decode

Fringe Benefits Reportable amount

Income Stream

Income type decode

Income gross amount

Tax Withheld amount

Country decode

Foreign income exempt amount

Foreign income employment tax paid YTD amount

Income community development employment project amount

Income bonus and commission amount

Work activity overtime hour paid amount

Income Directors fees amount

Paid Leave

Leave type decode

Paid leave amount

Lump Sum

Lump sum payment type decode

Financial Year

Payment amount

Allowances

Allowance income type decode

Allowance Income YTD amount

Allowance income type other description

Salary Sacrifice

Salary Sacrifice type decode

Salary Sacrifice amount

Employment Termination Payment

Employment termination payment type decode

Employment termination payment date

Employment termination payment tax withheld

Employment termination payment tax free amount

Employment termination payment taxable amount

End of Returned STP Strategic Solution Pay Event Data Descriptions data structure.

1. An exception to the mutual client process can occur where an employer incorrectly reports child support deductions or garnishee amounts for an individual who is not on the Mutual Client Register (MCR). In this instance the child support deduction or garnishee information will be provided to Child Support to identify the correct individual even through a mutual client relationship hasn’t been established. [↑](#footnote-ref-2)
2. *Social Security (Administration) Act 1999,* section 8 [↑](#footnote-ref-3)
3. See for example the ‘Principles of Administration’ of the social security law – *Social Security (Administration) Act* 1999 paragraph 8(a); and the ‘Objects’ of the *Child Support (Registration and Collection) Act 1988* subsection 3(1). [↑](#footnote-ref-4)
4. Protected information’ is defined in section 23 of the *Social Security Act 1991* and includes:

   *Information about a person that:*

   *(i) was obtained by an officer under the social security law; and*

   *(ii) is or was held in the records of the Department or the Human Services Department* [↑](#footnote-ref-5)
5. *The unauthorised requirements or requests that a person’s TFN be quoted, and the unauthorised recording, maintaining a record of, use or disclosure of an individual’s TFN respectively, unless an exception applies, are offences (ss 8WA and 8WB of the Taxation Administration Act 1953. Penalties also apply to unauthorised acts and practices relating to TFNs and TFN information under the Privacy (Tax File Number) Rule.* [↑](#footnote-ref-6)