

## STP: BENEFITS WITH COSTS

---

The introduction of Single Touch Payroll (STP) is in line with the Government's digitisation agenda and should be supported but there are still small businesses out there that will feel the compliance burden that it entails, according to the Institute of Public Accountants (IPA).

By 1 July 2019, businesses with less than 19 employees are expected to have implemented STP.

"While initially STP delivers little benefit to small business, we acknowledge that other benefits exist such as transparency over superannuation guarantee payments," said IPA chief executive officer, Andrew Conway.

"Employees will be able to log on and make sure they are being paid the correct amount for their superannuation contributions so this level of transparency is most welcome.

"Our concern is for the 70,000 small businesses that have been identified that will struggle to implement STP without help and support. Many of these businesses are not digitised and will require adoption of technology and education.

"For small and micro businesses employing less than five people to implement STP before 1 July 2019, will take considerable incentive and support.

"We support the notion of a phased and targeted incentive approach as proposed by the Government.

"Hence, we are pleased to note that the Government is considering a partial offset of costs and other incentives. However, we would like much more detail to ensure small businesses are not adversely impacted by the implementation of STP.

"There is also a reliance on strong internet connections which would disadvantage many working in more remote areas of Australia," said Mr Conway.