MEDIA RELEASE

Xero launches a payroll only solution for Australia’s smallest employers in lead up to mandatory STP reporting from 1 July

The new Payroll Only plan will enable more than 400,000 Australian small businesses with one to four employees to comply with new ATO obligations

Sydney, APRIL 10, 2019 — Xero, the global small business platform, has today launched a new Payroll Only subscription plan in a bid to help small businesses with up to four employees comply with new Single Touch Payroll (STP) reporting obligations.

STP is a reporting requirement introduced by the Australian Tax Office (ATO) that makes it mandatory for employers to report salaries and wages, PAYG withholding and superannuation every time they pay employees.

Previously only compulsory for businesses with 20 or more employees, STP will be required for all businesses from 1 July 2019, placing the onus on Australia’s smallest employers to digitise their payroll reporting.

Xero’s new Payroll Only plan is designed for employers with up to four staff who are not currently using any software to manage their payroll. According to the ATO, there are more than 400,000 small businesses with up to four employees in Australia, and all of them will need to start STP reporting any time from the 1 July start date to 30 September 2019.

Trent Innes, Managing Director of Xero Australia, said, “We’re pleased to offer a digital payroll reporting solution supporting Australia’s smallest employers – many of whom are used to manually reporting payroll activity to the ATO.”

“The government’s introduction of real-time digital payroll reporting for all Australian businesses is a step towards levelling the playing field for small business owners of all sizes.”
“Xero’s data shows digital integration is associated with better outcomes for small businesses – including increased revenue – so this change is hugely positive for the sector.

“We want to help small business owners – no matter where they are in their journey – understand that digitising and automating their backend processes can provide a significant competitive advantage. Our Payroll Only plan is designed to make it as effortless as possible for small business owners to make the transition. The beauty of Xero’s cloud-based platform is that it can then grow with small businesses as their needs change and mature,” Trent said.

The new Payroll Only subscription costs $10 per month, and can be purchased directly by small businesses or their accounting and bookkeeping partners.

Xero consulted extensively with its partners and existing small business customers to create a pricing plan that meets the needs of the intended end-user. This includes features such as:

- Complete payroll (including STP) for up to four employees, including timesheets and leave requests
- Support for the Xero Me mobile app for iOS and Android
- Flexible chart of accounts and report codes
- Support for report templates
- Activity statement calculation.

Users have the option to upgrade to a higher tier plan at any stage, unlocking additional features such as invoices and bills, auto-super and bank statement lines. Further information here.

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About Xero
Born in the cloud, Xero is a beautiful, easy-to-use platform for small businesses and their advisors. The company has 1.4 million subscribers in over 180 countries and a thriving ecosystem seamlessly integrating with 700+ apps. On the inaugural 2018 Financial Times FT1000 High-Growth Companies Asia Pacific list, Xero was the fastest growing tech company in the $200 million+ segment. Xero won Technology Provider of the Year at the British Small Business Awards in 2016 and was rated by Canstar Blue as Australia’s best accounting software four consecutive years, 2015-2018.