10 November 2014

Treasury: Updated SuperStream – Pass through exposure draft and explanatory statement

In a submission to Treasury in response to request for comments on the most recent exposure draft regulations and the associated explanatory statement concerning the passing through of employee details under the SuperStream Data Standards, the Association of Superannuation Funds of Australia (ASFA), while restating its opposition to the policy, provides a range of comments focused on improving the operation of the proposed regulation.

ASFA while acknowledging the benefits to funds and employers that can flow from the provision of a pass-through service, considers that providing such a service should be a trustee decision taken in full consideration of costs and benefits to the fund and its members.

ASFA also considers that through the mandating of both the contributions data and payment data standards and the message transport protocol the government has solved the basic problem of providing employers with a single method of delivering contributions data to any fund.

In comments on the prosed regulations the ASFA submission:

- notes that regulation 7.07EA does not adequately address the situation where an employer has more than one default fund
- Requests the definition of 'default fund' be expanded to overcome a deficiency in Superannuation Guarantee Administration Act.
- Recommends that the regulation consider the right of the first recipient default fund, or any party in the transaction chain, to interrogate the data to be passed through to another fund other than for the purpose of ensuring the data can be sent to the ultimate destination.

In comments on the explanatory statement ASFA recommends that, unless the deficiencies in the regulation are addressed, the explanatory material should be amended to reflect the actual requirement of the regulations.

ASFA further recommends that the explanatory statement provide clear guidance as to the right of an intermediary party to access the pass-through data other than for the purpose of determining the ultimate destination.