

File Name: 2015/10

23 March 2015

SuperStream Data Standards  
Australian Taxation Office

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### **Consultation on draft versions of Superannuation Data and Payment Standards schedules**

The purpose of this letter is to respond to the ATO's consultation on the timing and scope of proposed changes to the Superannuation Data and Payment Standards. ASFA does not propose responding to the technical aspects of the proposed change as we consider this is best left to those with the appropriate technical knowledge.

ASFA understands that under the proposed changes the following schedules which form part of the Superannuation Data and Payment Standard are to be amended:

- Schedule 2: Terms and Definitions
- Schedule 3: Payment Methods
- Schedule 4a: Contributions Message Implementation Guide
- Schedule 4b: Rollovers Message Implementation Guide
- Schedule 6: Error Code Management

We note that no changes are proposed to:

- Schedule 1: Temporary Entry Level and Default Agreement
- Schedule 5: Message Orchestration and Profiles

The impetus for change to the Data Standards has come from two sources. The first impetus has been from industry stakeholders who, in collaboration with the ATO have been considering a series of proposed refinements to and extensions of the Standard. The second impetus has been from the ATO, who wish to align their government-to-business (G2B) interactions, specifically ATO to fund interactions, with the Superannuation Data and Payment Standard. These interactions include:

- ATO sourced contributions, specifically co-contributions and low income superannuation contributions
- rollover interactions, specifically unclaimed superannuation monies rollovers (outbound to APRA funds)

As part of the proposed changes, major new functionality for both business-to-business (B2B) and G2B interactions would be incorporated into the data standards, including:

- Amendments (requests and response)
- Refunds (requests and response)
- Kiwi Saver (rollovers only)
- Transaction reference numbers (TRNs).

It is also proposed that the opportunity will be taken to incorporate some minor improvements into the Schedules to give effect to consequential changes or learnings that have emerged from the implementation of the Standard to date, such as workarounds or 'guidance note' interpretations already implemented in industry solutions and other small improvements and fixes.

The above represents a significant scope of work for both the ATO and the industry.

ASFA understands that the key driver for the timing of the change is that the ATO is already committed to a major release of G2B functionality in early 2016 and has currently scheduled February 2016 as its target release date.

Conceptually, it would seem sensible to combine the ATO's G2B release with the other industry-identified changes outlined above so that a common version 2.0 upgrade covering both G2B and B2B upgrades can be achieved simultaneously. However, ASFA considers that there is a broader range of environmental factors that need to be considered.

ASFA members have expressed reservations about the size, scale and lead-times associated with such a broad set of changes. ASFA is also concerned that under the proposed timeframe there is insufficient time to let the current B2B contributions implementation settle in. It will only be over the next four months that the business error components of the Data Standards will be implemented across the industry, providing an opportunity to detect any deficiencies in the current standard. Finally, small employers are permitted to adopt the contributions data standard at any time up until 30 June 2016. Many of their service providers are working to that date, looking to develop solutions using the current version of the Standard for delivery in the first half of 2016. ASFA considers it unreasonable to expect solution providers to develop these version 1.2 contributions sending solutions knowing that, part way through, they will need to commence work on their version 2 compliant solutions. Operating to such a timeframe would be an unreasonable impost of solution developers and would expose the parties to high implementation risks.

The ATO has proposed three options for implementing the change:

1. An all-inclusive set of changes for early 2016 covering all the draft schedule updates (therefore impacting both G2B and B2B interactions).
2. A G2B interactions release only in early 2016 (thus quarantining B2B implementations from any change for the next 18 months or longer)
3. A G2B interactions release only in early 2016 but with reduced scope for the G2B release by removing amendments from the proposed changes (no B2B changes).

We note that none of the options suggest a movement in the release date for the implementation of the G2B interactions.

In response to the request for views on the preferred timing of implementation having regard to the proposed change options and lead times for change ASFA would like to offer the following comments.

As the ATO is aware, industry is currently implementing Contributions v1.2 for large and medium employers. The testing and exchanging of business error messaging has just commenced and most funds will not be fully operation in this respect until mid-2015. Small employers will be transitioned in from July 2015 until June 2016. As stated above, many solution providers to these employers are implementing their version 1.2 solution in 2016. Implementing a new version of the standards at the same time as implementing a previous version is introducing unnecessary complexity and risk to all industry stakeholders.

ASFA considers that if the implementation was broken into several phases, and phase 1 was rollovers, then the risk to funds and the network is likely to be reduced due to the rollover data standard having been implemented and is now stable. This would also allow any lessons learnt from the implementation to be incorporated into further phases of the v2 implementation.

ASFA would also recommend that the TRN be implemented as part of the Phase 1 rollover release as this allows a more manageable transition for funds of a major change to their registry systems. In proposing this we also recognise that the TRN is an integral component of the ATO messaging. Both industry and the ATO would be advantaged by being able to bed down the use of the TRN prior to the introduction of contributions.

As implementation of version 2 of the standards will require the industry to develop systems and process for supporting multiple versions and this is untested, implementing a new change

management process for rollovers with fewer stakeholders will provide an opportunity to further refine the process prior to the implementation of version 2 of the contributions standard.

Finally, separating contributions and rollovers into different phases is aligned with the SuperStream implementation approach to date. That is, implement changes in the constricted environment of fund to fund transactions prior to expanding to the wider range of stakeholders. A change to this established approach is likely to introduce unnecessary complexity particularly in relation to change management and updates to schedules and supporting artefacts

ASFA has consulted with its key members and sought their views on the learnings to date and the scope and complexity of the proposed changes to the standards. We have been advised of their need to have all schedules and accompanying artefacts finalised and published well in advance of implementation (ideally 12 months) and the need to avoid an implementation timeframe that would conflict with system freeze periods for a majority of large stakeholders over December and January.

Considering all of the above, ASFA is supportive of the following phased approach to implementation of version 2 of the standards:

- **Phase 1**

Scope:

- Rollovers v2 (B2G and B2B but excluding amendments)
- Includes RTR, RTOR, IRR, IRER, EPF, USM, USM Response, Refunds, Guidance notes, TRN and Multi-version support (i.e. support of v1.2 and v2 of rollovers)

Implementation date: May/June 2016

- **Phase 2**

Scope

- Rollover amendments (B2G and B2B)

Implementation date: November 2016

- **Phase 3**

Scope:

- All Contributions v2 (B2G and B2B)

Implementation date: May/June 2017

If you have any queries or comments regarding the above please contact the Robert Hodge, Principal Policy Adviser, on (02) 8079 0806 or by email to [rhodge@superannuation.asn.au](mailto:rhodge@superannuation.asn.au).

Yours sincerely

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