

25 March 2015

Superannuation Data and Payment Standards
Australian Taxation Office

By email: SuperStreamStandards@ato.gov.au
Cc: Philip Hind National Program Manager, SuperStream

Re: Consultation for updated Superannuation Data and Payment Standard schedules

Dear Sir/Madam

The ATO is seeking industry feedback on the proposed changes to the Standard and requests that submissions respond to a number of specific questions outlined in relation to scope, timing and technical feasibility. The FSC is concerned that the new standards are more complex and have far greater technical and operational impact to funds and practitioners than the implementation of the current standards.

The FSC is of the view that unless a realistic implementation approach is adopted to suit all major stakeholders there is the real risk of creating a more inefficient superannuation system than before SuperStream began. Significant risks, complexity and dependencies will be introduced if the implementation of a new version commences while the existing version is still being implemented (Small and Medium employers 1 July 2015 to 30 June 2016). In addition to this, the scope of the Single Touch Payroll initiative appears to have significant impacts on Superannuation Practitioners and will also be running in parallel and create similar risks and dependencies.

The FSC supports an orderly and controlled approach to minimise the risks to fund members, employers and superannuation funds.

FSC responses to ATO questions

Question 1. Which scoping option for change is preferred?

The implementation options introduce additional risk and complexity to the implementation of SuperStream Contributions. A more orderly and controlled implementation approach would be to follow the learnings from SuperStream to date and adopt the existing implementation approach of implementing rollovers first (low volume, fewer stakeholders, existing version of Rollovers is stable) which will allow the industry to implement and bed down the current version of Contributions before moving to a version 2.

The FSC supports the following alternate implementation approach:

- 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)
- Phase 2 scope
 - Rollover amendments (B2G and B2B)

- Phase 3
 - All Contributions v2 (B2G and B2B)

The rationale for the proposed implementation approach is as follows:

- Industry is currently implementing Contributions v1.2 for large employers, with small and medium employers to transition in from July 2015 until June 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.
- By introducing rollovers in Phase 1, the risk to funds and the network is likely to be reduced as the rollovers version has been implemented and is now stable, unlike contributions.
- Implementing rollovers first allows any lessons learnt to be incorporated into further phases of the v2 implementation. This is particularly important in relation to the proposed changes with high impacts to stakeholders and which still require detailed analysis.
- With TRN implemented as part of the Phase 1 rollover release, this allows a more manageable transition for funds of a major change to their registry systems.
- The inclusion of TRN in Phase 1 provides the ATO with an integral component of their messaging while also providing industry with the opportunity to bed down the use of TRN prior to the introduction of contributions.
- Supporting multiple versions is untested and implementing a new change management process for rollovers with fewer stakeholders allows the opportunity to further refine the process for the implementation of contributions v2.
- Separating Contributions and Rollovers into different phases is aligned with the SuperStream implementation approach to date. Alternative approaches to phasing scope items separately will likely introduce unnecessary complexity particularly in relation to change management and updates to schedules and supporting artefacts

Question 2. What is the preferred timing of implementation having regard to the proposed change options and lead times for change?

Based on the learnings to date and the scope and complexity of the proposed changes to the standards, all schedules and accompanying artefacts will need to be finalised and published at least 12 months prior to implementation. In addition to this an early 2016 release date would require a system implementation during system freeze periods for a majority of large stakeholders over December and January. With this in mind, and based on the assumptions outlined below, ASP are proposing a commencement date of May/June 2016 with a 6 monthly implementation schedule for the remaining phases.

Proposed timing based on the implementation approach outlined above in Question 1:

- Phase 1 – May/June 2016
- Phase 2 – end of 2016
- Phase 3 – May 2017

Question 3. Are there any significant technical issues with any of the proposed changes which may affect the feasibility of proceeding with implementation?

The FSC understands that FSC members have submit a series of technical queries and recommendations to the ATO through the ASP. These queries are currently being considered and, subject to further information, the FSC may make supplementary submissions on this question.

Please feel free to contact me on 02 8235 2566 with any questions in relation to this submission.

Yours sincerely



BLAKE BRIGGS

SENIOR POLICY MANAGER