



Australian Government

Australian Taxation Office

SuperStream

Contributions Implementation Update

ABSIA 2015

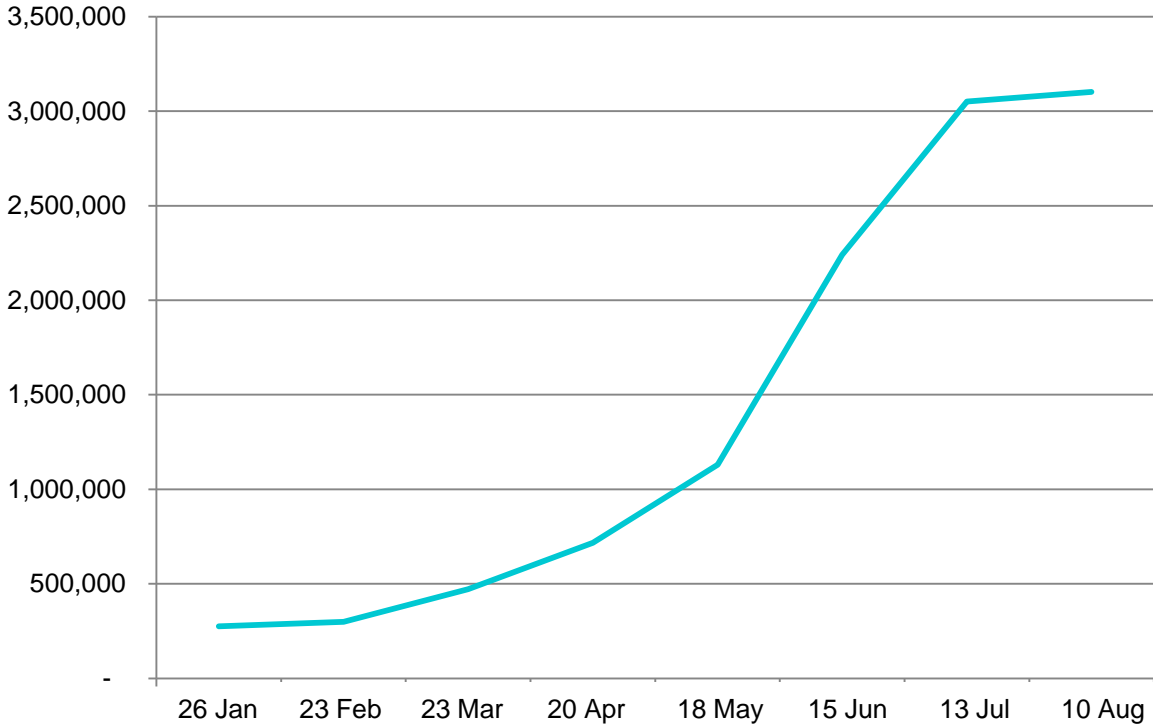
Presented by Ty Winmill, Senior Technical Advisor |
Australian Taxation Office | **23 September 2015**

Today's Agenda

- > Contributions Update
- > Employer On boarding Update
- > Top 5 Issues
- > Response Messaging

Total contributions Volumes (Messaging)

4-weekly trend



Contribution volumes

Commentary

- > The number of contribution transactions is increasing steadily each month
 - messaging growth in Channel A continued on from the peak at end of financial year (late July).
 - first time over 1 million transactions for last week

- > Over 3.7 million transactions reported for the month of August
 - around 35% of total
 - estimated to be similar

- > Member registration request volumes are continuing to increase
 - trending around 6% of Channel A contribution volumes each period

- > SMSF volumes are increasing from June but have plateaued
 - now accounting for about 2% of total contribution volumes
 - Validation of ESA's is one known factor slowing this growth (should be around 2.5% of total volumes)

SuperStream implementation

Key Highlights

- > 100 per cent of APRA funds are receiving contributions from employers in conformance with SuperStream
 - not all have pass through in place, but are working with them to assist with their implementation
- > Over 300,000 employers around Australia already benefiting from SuperStream (Channel A and B solutions)
- > Major onboarding activity continues to be evident through funds, administrators, clearing houses, payroll software companies and accountants/agents
- > Data quality is improving as individual implementation bed down, but some issues to address

Employer on boarding to date

- > Over 300,000 employers around Australia are already benefiting from SuperStream
- > More than 100,000 medium to large employers have implemented SuperStream
 - we estimate 95% of the top 100 employers have implemented SuperStream
 - we estimate the 'gap' is less than 10,000 employers
- > We estimate over 200,000 small employers have implemented SuperStream (using Channel A and B solutions)

Major ATO outreach activities

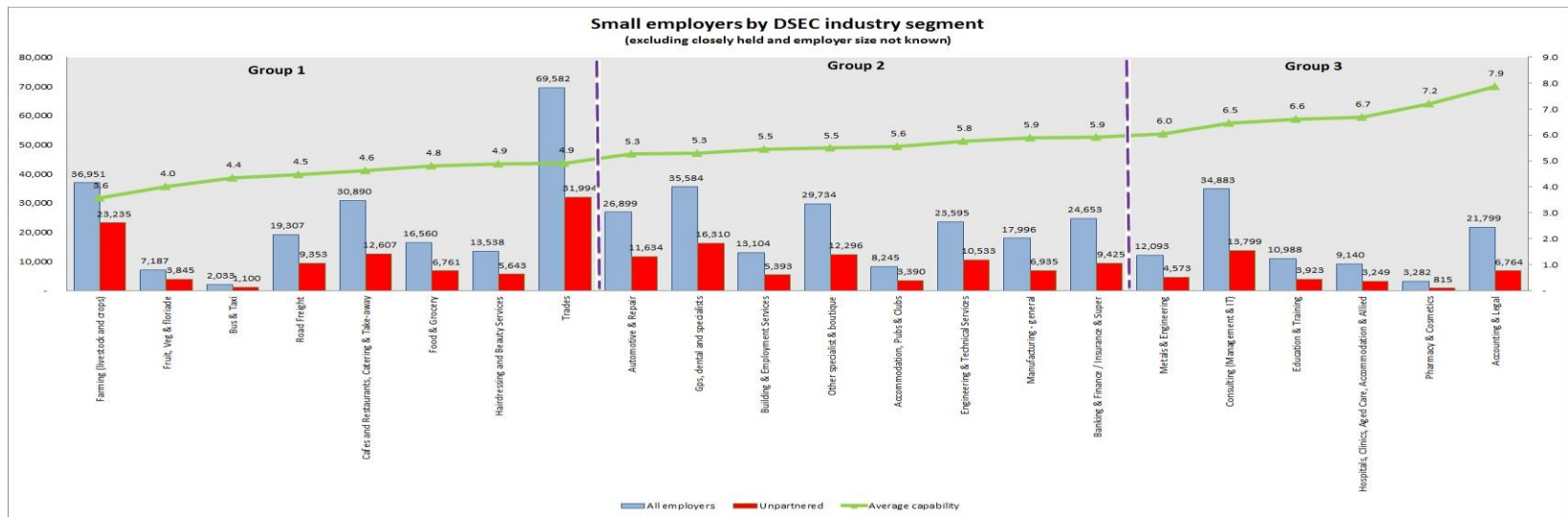
Highlights

- > ATO has held extensive outreach sessions through a variety of channels, including original employer SuperStream campaign that is now complete. Focus is now industry segments
- > We will engage with 22 industry segments to provide tailored SuperStream information and connections
 - our primary targets are ‘red zone’ employers who are not connected to an obvious partner
- > We are undertaking detailed research for each segment to inform the language, tone and channels we will use to communicate and employers
 - there is not a one-size-fits-all approach
- > We are sending SMS and email followed up by webinars to targeted small employers where we hold their contact information scheduled in 2 week blocks.
 - high intensity targeting (HIT) strategy relying on word of mouth, not drip feeding

Major ATO outreach activities

Move to Industry segments

- > We have grouped industries according to capability
- > Current industries in focus
 - We are piloting with ‘GP, dental and specialists’, ‘Pharmacy and cosmetics’
 - Next industry segments in group one are ‘Farming and livestock’, ‘Cafes and restaurants, catering and takeaway’, ‘Trades’.



Top 5 Issues

Contributions Implementation Phase

The implementation is making good progress, but we need to keep working on the most significant issues

> Mostly these are bedding in, alignment or continuous improvement issues

We have rated the Top 5 Issues to focus on as follows:

- > Return of monies
- > Dummy data (mandatory information not available)
- > SAFF issues
- > SMSF – valid electronic service addresses (ESAs)
- > Data validation (sending side)

Issue 1

Return of monies

> The ATO has identified

- Most error messages involve a return of monies
- Clear principles need to be established to enable a smooth transition to electronic responses (CTER introduction)
- Some administrative issues have emerged which the ATO is consulting on e.g. money being returned to receiver but a delay in re-sending

> ATO actions

- Newly developed error messaging framework identifies optional additional data elements that assist in reconciling returned money
- Small subset of errors will provide real value in terms of automation/straight through processing of response messages
- Will take into account learnings from the CTER pilot to inform future improvements to and efficiencies to support return of monies
- Will to ensure that response messaging framework aligns with future design i.e. MIG 2.0
- **The ATO will publish guidance on relevant fields, including Refund Payment Reference Number (PRN), to assist in streamlining return of monies.**
- **Guidance is subject to SSTC review and is expected to be published by 11 September 2015.**
- **Issue will be closed after publication of updated guidance**

Issue 2

Dummy data (mandatory not available from employer)

> The ATO has identified

- This issue was identified by the number of rejections due to mandatory information not being provided

> ATO actions

- The ATO has published guidance on default values for mandatory fields (G022). A 'best practice' note is being produced to support follow up of phone numbers for the standard
- This guidance has led to fewer rejections in the case where employee data is not available
- **The ATO will publish updated guidance:**
 - * **to cover invalid TFNs in SuperStream messages and invalid characters in string fields**
 - * **on including phone number where employer holds it and what to do if it is not available. A change is proposed to align MIG and Regulations in MIG 2.0 timeframe and proposed**
- **Guidance is subject to SSTC review and expected to be published in the week commencing 14 September 2015.**
- **Issue will be closed after publication of updated guidance**

Issue 3

SAFF issues in relation to additional fields

> The ATO has identified

- Additional fields are used to capture DB (Defined Benefit Schemes) information
- Additional field requirements existed before Superstream and generally familiar to employers/providers
- The ATO will be seeking the documentation of local schemas tied to the MIG standard (and a data mapping to a SAFF alternative)
- Additional insurance fields outside the standard and requested by some funds (non-DB schemes) also pose challenges for payroll providers

> ATO actions

- Undertake to produce case studies in relation to DB requirements (starting with the Top 10 member schemes), they will form a set of guidance for industry.
- Model standard data capture processes and use the notion of a local 'schema' to provide the additional rules for interpretation of data.
- SSTC to review additional insurance related data requested by some funds (non-DB schemes), **expected to be finalised by mid-September**
- **The ATO are meeting with ComSuper on 11 September to progress a local schema for additional fields in the SAFF to enable standardisation**

Issue 4

SMSFs – valid electronic service addresses (ESAs)

> The ATO has identified

- Issue was identified where SMSF contribution messages were unable to be delivered to service providers due to the SMSF not being known to the provider

> ATO actions

- ATO has issued guidance note (G036) to define the electronic response expected by receiver to ensure quick turn around of errors, further streamlining the process
- ATO to increase education targeted at SMSFs on this issue
- ATO recommends 'first time' through checking with MSP be undertaken during any Onboarding activity
- **Ramp up SMSF communications for employers and employees (Trustees), focusing on ESAs**
- **Targeted communications to tax agents and administrators who are using bulk registration of SMSFs**
- **The ATO is meeting with SMSF messaging providers 18 September to re-inforce education and communication messages**
- **The ATO will continue to monitor this issue through to October quarterly period**
- **Next media campaign has commenced and we are monitoring response**

Issue 5

Data validation (sending)

> The ATO has identified

- Various issues have been identified with data from senders in relation to data quality
- The number of issues is very small in comparison to the volume of contributions flowing through the Superstream system, approximate 0.5% percent of error occurring.

> ATO actions

- The ATO is working with sending solution providers on resolution of identified issues. May result in guidance or re-enforcement of Superstream regulations
- Additional guidance produced on invalid characters in string fields, which assists in sending data quality
- **The ATO is engaging with aggregators for support to include initial validation**
- **The ATO will continue to monitor sending solution issues closely**

Response Messaging – Pilot overview

- > Commenced on 7 September for one month
- > Learnings to be published
- > Pilot participants are:
 - AAS
 - CBA
 - Ozedi
 - ADP
 - Pillar
 - QuickSuper
 - SuperChoice
 - Sunsuper

Response Messaging Next steps

- > 7-14 September - Pilot participants have commenced staggered testing schedule using agreed framework and will feedback learnings
- > By 2 October – Inducted funds to have notified ATO if unable to commence sending CTERs by 19 October (must provide reason and expected timeframe for implementation)
- > 19 October – All inducted solutions to have commenced sending and receiving CTERs (if this isn't possible you can contact ATO with a plan to commence CTERs)
- > October - Handover framework to SSTC to own and further develop as/when appropriate
- > Response messaging framework has been published on SIPO covering key scenarios, principles and other response messaging guidance