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Australian Government
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SUPERSTREAM PAYMENTS USING THE NEW PAYMENT PLATFORM (NPP)

PURPOSE

This document provides guidance in relation to the use of the NPP for SuperStream related payments.

BACKGROUND

The NPP is an open access infrastructure for fast payments in Australia. The NPP was developed through industry collaboration to enable payments to be made and received in near real-time. The Reserve Bank of Australia (RBA) built the Fast Settlement Service component of the NPP to allow transactions to be settled in close to real time.

The first product to use the NPP platform (OSKO) became available in February 2018.

G051 was issued on 28 May 2018 in response to initial analysis that NPP transactions would impact straight-through processing, with the potential to impact the efficient operation of the SuperStream network.

With NPP in operation for over three years and usage of the infrastructure better understood, G051 has been updated.

ISSUE

SuperStream rollover and contributions functions are designed around automated message and payment reconciliation processes (“straight through processing”) predominantly using the Bulk Electronic Clearing System Direct Entry System (BECS DE).

The NPP platform uses different payment message structures and different payment identification reference fields.

To address uncertainty on what reference fields will be used by NPP products or overlay services for the SuperStream payment reference numbers (PRNs), and how they can be passed through unchanged from sender to payment receiver the NPP Australia (NPPA) issued its Superannuation Payments Guidance document on 22 November 2019.

In this Guidance document, NPPA requires the following elements populated in the payment initiation message to ensure the correct reporting of Superannuation payments:

Pain.001 element name	Guidance
End to End Identification	Payment Reference Number (PRN)*
Category Purpose	PENS
Creditor Reference	Payment Reference Number (PRN)*

Following consultation through the Data Standards Technical Group and the Superannuation Administrators Group to discuss experience and usage of the NPP through SuperStream transactions, it was determined that use of NPP as per the guidance note was sufficient with no changes required to Schedule 3.

The NPP was also assessed against the set of design principles to be used when considering new technologies 'affecting Superannuation Data and Payment Standards. These design principles are included in Attachment 1.

Currently, there is limited uptake of NPP transactions through the SuperStream network and no clear solution to reconcile NPP payments with SuperStream data in an automated way. This may change when

- processes for implementing automated SuperStream NPP payments become clear; or
- there are changes to, or de-commissioning of current payment methods.

RECOMMENDED GUIDANCE

The NPP is not a prescribed SuperStream payment method defined by *Schedule 3 - Data and Payments Standards – Payment methods*.

Section 2.1.3 of Schedule 3 allows alternative payment methods to be used by agreement between sending and receiving parties.

Until such time as a concise specification that enables automated reconciliation between SuperStream messages and NPP payments is made available or there are changes to, or de-commissioning of current payment methods the following recommendations should be followed:

1. A SuperStream sending or receiving solution must not send a SuperStream payment using the NPP unless there is an agreement with the receiving party in line with section 2.1.3 of Schedule 3.
2. SuperStream receiving solutions which receive an NPP payment which fails automated reconciliation may choose to reject the transaction with an error message (for example *SUPER.GEN.GEN.12 Payment Reference Number cannot be reconciled to a payment*) and refund the payment to the sender in line with current practice for payment reconciliation failures.
3. The member's interest must not be disadvantaged by any NPP alternative payment method solution agreed between sending and receiving parties.
4. As noted in section 2.1.3 of Schedule 3, the PRN construction methodology specified in section 2.2 still applies and must be part of any such solution.
5. The solution must be designed to perform automatic payment reconciliation ("straight through processing") of the SuperStream message and the NPP payment.

Guidance and changes to Schedules

There are no proposed changes to SuperStream Schedule 3.

Release notes	
Guidance note	G051 – SuperStream payments using the New Payment Platform (NPP)
Message pattern	All rollover and contribution transaction requests and corresponding response messages that have an associated payment.
Relevant Schedules	Schedule 3 - Data and Payments Standards – Payment methods v2.0.
Due date	This guidance applies immediately from the date of issue.
Sending solutions	Sending solutions must not send SuperStream NPP payments except by agreement between the sending and receiving parties as prescribed in section 2.1.3 of the Schedule.
Receiving solutions	Receiving solutions may choose to reject unapproved SuperStream NPP payments that fail automated reconciliation.
Future action	When processes for implementing automated SuperStream NPP payments become clear, or there are changes to, or de-commissioning of BECS or BPAY payment methods, appropriate changes will be considered for SuperStream Schedule 3 to allow and give precise specifications for use of the NPP platform.

Attachment 1

Assessing the impacts of the New Payment Platform (NPP) and other new technologies on superannuation & SuperStream

The primary consideration in the assessment of new technologies in superannuation is to ensure they are in the best interest of superannuation fund members. The design principles below are subject to this primary consideration.

This document describes the principles agreed by ATO and industry to underpin the investment and future decision-making by the superannuation industry, employers, software developers and Government in the design, build, implementation, operation and managing change of SuperStream¹

SuperStream Design Principles

Principle 1 - Any changes to the SuperStream Standards should continue to provide best outcomes to superannuation fund members.

Principle 2 - There should be only one single standard to comply with.

- SuperStream data and payments must be in accordance with SuperStream standards
- The payment system is and should remain agnostic

Principle 3 - A whole of industry position needs to be established

- The superannuation industry, employers and software developers have invested \$1.5B to implement SuperStream and gain the efficiencies it has delivered²

Principle 4 – Superannuation industry stakeholders have an obligation to consider the extent and impact of new technologies on SuperStream, including cost/benefits, security, ‘fit-for-purpose’, alignment with international and Australian Standards and long-term efficiency.

- In relation to ‘cost/benefit’ assessment any investment must be carefully scrutinised and have particular regard to those entities that bear the cost

Principle 5 – Changes to the SuperStream Standard (including regulatory change) must satisfy a business case for the change and be progressed in consultation with the superannuation industry.

Principle 6 – The implementation of new technology must satisfy a business case for the change and be progressed in consultation with the superannuation industry.

Principle 7 – Governance of the SuperStream Standard must remain with the Government regulators (ATO and APRA).

Principle 8 – Governance of the SuperStream Transaction Network, or any newly-created network that operates in a SuperStream environment, must be representative of superannuation industry stakeholders and be subject to a members’ best interests test.

¹ <https://www.ato.gov.au/Super/SuperStream/In-detail/Legal-framework/Legislative-instrument/SuperStream-legislation,-standards-and-schedules/>

² <https://www.ato.gov.au/super/superstream/in-detail/superstream-benefits-report/>