Key Messages – March 2024 Superannuation Data Standards Technical Group meeting

Venue: WebEx meeting conference

Date: 19 March 2024

Start: 10:00 AEDT   **Finish:** 11.00 AEDT

Meeting Chair:

Larissa Evans – Assistant Commissioner, Superannuation and Employer Obligations ATO

Contact: Darrel Cunnington

Contact details: Darrel.Cunnington@ato.gov.au

Industry Attendees:

Stephen Milburn - ART

David Delaney - ASP

Matt Fedderson - Aware Super

Krishneil Mudaliar - BGL Corp

Michael Vernik - Bravura Solutions

Michelle Bower - GNGB

Jack Gao - Iress

Matt Rea - Link Group

Fraser Cooper-Southam - SuperChoice

ATO Attendees:

Larissa Evans - Super and Employer Obligations

Shane Moore - Super and Employer Obligations

Rebecca Krautz - Super and Employer Obligations

Marilena Bressan - Super and Employer Obligations

Tania Yeowart - Super and Employer Obligations

Ian Morgan - Super and Employer Obligations

Alastair Ramsay - Super and Employer Obligations

Glen Wellington - Super and Employer Obligations

Steven Holmes - Enterprise Solutions and Technology

Yvonne Wright - Enterprise Solutions and Technology

Agenda item 1: Welcome and opening remarks – Larissa Evans

Larissa opened the meeting with an acknowledgment to country and welcomed new members:
- Zahir Patel – Class
- Matt Fedderson - AWARE

Agenda item 2: Review 2023 action items and issues summary - Shane Moore

Key points discussed:

We are currently reviewing the open action items and issues to determine their current status, and what topics need to be kept on our radar and those that can be parked.

Rationalising of Guidance Material:
- We have been working with GNGB and there is a large amount of information flagged in relation to this item. We will continue to hold this item and revisit in the future, cognisant that any material will need to align with Payday Super.

Validation rules – revisioning/realigning services:
- This item will be closed and tracked on the ATO internal register as there is no known timing to address this issue with system changes or alignment.
- There is some connection to our data quality and integrity discussions, and we will involve members as appropriate.
- There were no objections from the group regarding this approach.

Agenda item 3: ASP Services update - David Delaney

David advised ASP are aligning their priorities and have identified the top 5 after a recent strategy day. These will be ratified at an upcoming meeting being held in April. David is looking forward to working with industry members and the ATO on these issues in the coming months.

- Payday Super - data Integrity, data code optimisation, employers need to know what to do when errors occur.
- Cyber and fraud prevention – identifying best practices, focus on data sharing between funds and regulators
- Privacy reforms
- Midyear economic forecast announcements
- Better targeted super initiative.

Agenda item 4: GNGB update - Michelle Bower

- GNGB have been reviewing the 2023 Gateway Operator audit results against the STN Information Security Requirements (ISR) and are continuing to see improvement in terms of the level of compliance and risk engagement

- Alignment between GNGB and Gateway Operators on risk management is also improving over time

- The GNGB has a focus on network resilience and will be conducting their second Superannuation Ecosystem Incident Response Exercise in April encompassing participants such as Funds, administrators, data service providers, gateway operators and clearing houses

- There is also a planned incident response exercise upcoming in May for participants of the STN

- Looking forward to the next 12 months, network preparation for Payday super will be a main priority. As a result, we are looking at some of the irritants or things we can address prior to the implementation picks up. We are looking at:

  o service levels for Gateway Operators and ensuring they can support stakeholder expectations, depending on what the model looks like

  o data retention policies and procedures – what we do today vs what we will need to do in the future

- Cyber continues to be another major focus area, and GNGB continues to see a high number of threats in relation to security vulnerabilities coming across the STN Threat sharing platform. Regular forums are planned to discuss these and other risks and the aim is to have them up and running by April / May 2024.

Agenda item 5: Operational errors: Are industry stakeholders experiencing these challenges and to what extent? - Michelle Bower

Key points discussed:

Stuck batches in relation to bulk SuperMatch requests and MAAS/MATS reporting:

- Michelle advised GNGB were examining irritants in the system that can potentially be addressed prior to Payday Super

- Gateways are seeing historically lower numbers of stuck batches which can be attributed to the work done by ATO

- However, there are still high volumes needing manual intervention that require the gateway to lodge a ticket through the Jira platform, and occasionally require the re submitting of forms.

- Identifying the root cause of these issues would contribute to the more efficient flow of data in the system.

Questions and discussion included:

- The group thanked Michelle for helping to protect funds and trustees via the Gateways. Dealing with stuck batches and the impact for trustees is a priority for members

- Trustees have been working with GNGB as there are some batches that are delayed for 7 to 13 days. As a result, tickets have to be raised via the DSP Portal

- Clarification was sought on whether further enhancements have been made by the ATO recently and can industry expect this as a business as usual process

- Larissa Evans advised we will escalate this issue to our technology area to determine what has occurred, with the aim to alleviate any blockers. A request was made to Michelle to escalate any insights that have come to light whilst investigating this issue

- Relevant metrics are when is this occurring, timelines, type of service and type of batch

- It was acknowledged that the ATO is experiencing lower volumes than seen in the past.

EPF Taxonomy failures on international address fields.

- Michelle advised this has been an ongoing issue and there is no automated way to respond and triggers a manual process. There are currently several hundred items per month. Identifying and logging issues can cut into processing efficiencies.

Questions and discussion included:

- Michelle raised this issue to determine if there were future plans to validate address fields

- The group advised this has been occurring for some time now and to rectify is a labour intensive process

- There have been some recent changes deployed by the ATO to address the issue. We will continue to monitor the forward impacts to gauge if the numbers concerned have reduced

Agenda item 6: Payday Super: Industry Challenges - David Delaney

Key points discussed:

SuperStream – Reconciliation - Workflow processes - Data quality issues

- It is roundly acknowledged that Payday Super will have wide ranging impacts on all stakeholders within the super industry

- There will be a marked increase in payments within the system, and increased monitoring regarding Super Guarantee compliance

- Feedback from industry is that there is a general lack of understanding of how the system will work across several industries. The banking sector are also coming to terms with their requirements.

Questions and discussion included:

- Larissa acknowledged how wide ranging the effects are and that it is challenging and complex for those that do not work in the system regularly. The ATO is also awaiting further Government announcements to provide more clarity

- It will be a challenging start, but we need to ensure that issues raised to Government from industry are relevant, and to be mindful that timely Super Guarantee compliance is the core element of the measure. That's why it is imperative we work together in true codesign.

Agenda item 7: Use of the NIL certification on the Fund Validation Service (FVS) - Glen Wellington

Key points discussed:

- Glen advised there have been ongoing conversations in other forums in relation to this topic and seeks the input of this group

- Glen provided a basic background of the initial purpose of NIL certification in that it was to be used to support funds with their initial implementation of SuperStream

- The ATO is currently reviewing the intent of the service and how it is used. This intel will be utilised to create further guidance material.

Shane Moore advised that use of NIL certification was not designed for wider usage and can have unintended impacts across the network.

Feedback from industry members:

- Instances occur when a NIL Validation is accepted, however further along in the process they are not being accepted and are rejected at the Gateway

- This is not a consistent outcome as NIL was never intended to be used in this process

- Regarding Successor Fund Transfers (SFT) feedback suggests that funds should not be using NIL and a better solution is required for SFTs.

- NIL has also been used to keep bank accounts opened

- There are currently a large amount of workarounds, and the work numbers received are increasing and becoming more complex

- A priority is to gain more clarity of the intent of the FVS, especially from a technical perspective

- With regard to response messaging, there are stakeholders actioning items differently which causes inconsistencies

- The aim is to have consistency of process across the entire ecosystem.

The ATO response was that we will reach out to stakeholders to have further conversations to gain insights and consider any Guidance updates that may be required.

All stakeholders agree that a consistent view around the handling of these issues is required.

Agenda item 8: Group discussion: Key focus areas for 2024 - Shane Moore

Key points discussed:

- Intent of this item was to get the group together and discuss what issues are on the horizon

- Any Re-versioning or updates to SuperStream messages, eg contribution message will require substantial involvement from this forum

- There is still an operational system to manage and we need to keep our collective focus on this

- We must not lose sight of keeping the system working as efficiently as possible, be aware of any irritants and inefficiencies and aim to address them accordingly

- This is the appropriate group of stakeholders to escalate relevant issues about to operation of SuperStream or connected services for discussion, investigation and/or resolution.

Agenda item 9: Other business and meeting close - Larissa Evans

Key points discussed:

- We are waiting more direction from Government on major issues

- The next meeting of the group will be post budget with a date to be confirmed.

Next meeting – TBC