

SUPER SYSTEM REVIEW FINAL REPORT

CHAPTER 9 SuperStream

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KEY THEMES

Issue

Today, much of the 'back office' of superannuation is characterised by manual transactions; a lack of industry data standards; inefficient processing of transactions; millions of 'lost' accounts and difficulties for members in consolidating multiple accounts. This inefficiency costs members and strains administrative resources.

Proposed solution

The Panel proposes measures, including:

- electronic transmission of linked financial and member data using standardised formats;
- use of the tax file number as a primary member identifier; and
- better alignment of pay and contribution cycles.

Benefits for members

Members would benefit from these SuperStream measures in the following ways:

- increased retirement savings because:
 - : contributions would enter the system more quickly and efficiently and start earning returns sooner;
 - : some of the reduced operational and administrative costs for super funds would flow through to members; and
 - : lost accounts would be found and there would be much less chance of 'losing track' of super in the future;
- less time and effort would be spent consolidating multiple accounts; and
- improved confidence in the integrity of the system.

1 DEFINING SUPERSTREAM

1.1 Background

'SuperStream' is the name the Panel has chosen to describe its ideas about enhancing the current 'back office' of super. It includes new standards to improve the quality of data provided by employers, to allow the use of tax file numbers (TFNs) to identify members who might otherwise be 'lost' to the system and to require the use of technology to improve processing efficiency. SuperStream also includes improvements to the way rollovers are processed and the way contributions are made.

The component parts of SuperStream include:

- (a) using industry-wide standards to improve the quality of data when members enter the system;
- (b) electronic funds transfer (EFT) for all participants;
- (c) better use of technology, including straight-through processing;
- (d) e-commerce solutions to replace paper;
- (e) extending the use of the TFN as an identifier throughout the system; and
- (f) eliminating redundant processes, leading to simpler rollovers and consolidations.

Ernst & Young¹ and SuperChoice² both estimate that savings of up to \$1B a year are achievable from reforms consistent with the SuperStream process. BT Financial Group estimate savings at 25 per cent of administration costs.³

1.2 Self-managed super funds

The Panel does not see the need to involve self-managed super funds (SMSFs) in the fund-specific elements of SuperStream, though those receiving employer contributions would benefit from improvements in the way contributions are made.

2 THE PROBLEMS SUPERSTREAM ADDRESSES

It has been estimated that the Australian super industry processes more than 100 million transactions annually,⁴ which cost over \$3.5B annually to process.⁵ The costs include member support (\$1B), contribution management (\$1.25B), reporting (\$250M), and benefit payment services (\$1B).⁶ The potential gains to the system from improved efficiency in contribution management are demonstrated by the estimate that 'straight-through' electronic processing of correctly provided member and financial data costs only five cents per transaction.⁷

The Panel has identified seven key problems with the current back office of super:⁸

- (a) a lack of industry data standards;
- (b) multiple technology platforms and proprietary systems;

- (c) manual and disparate processes;
- (d) the lack of a robust member identifier;
- (e) a high number of employers (nearly one million) being required to make contributions to a variety of funds;
- (f) misalignment of the contribution and pay cycle; and
- (g) funds making member requests to switch or consolidate to another fund more difficult than necessary.

3 SUMMARY OF PHILOSOPHY

The key components of the philosophy behind SuperStream can be summarised as follows:

- (a) First, the project needs to have some clear policy goals, rather than just a set of operational objectives; otherwise it will lack coherence and be hard to execute.
- (b) There are technological solutions now available that provide the basis for substantial improvements in super back office processes, with substantial savings available to be passed on to members.
- (c) Wherever appropriate, super should use or adapt generic e-commerce solutions and other techniques which have been demonstrated to work in other related sectors, rather than seeking to develop a super-specific solution.
- (d) There should be no 'big bang' introduction of a centralised clearing house.
- (e) After consultation, the more detailed design and implementation of SuperStream needs Government supervision in a staged implementation process, with sensible but short timeframes and regular re-assessment of progress.
- (f) The solution needs to be sensitive to the large capital expenditures that have already been made on existing systems and hence to look for compatibility with existing components with a view to steady, but often incremental, improvements.
- (g) Certain aspects of SuperStream will need to be mandated, but there should also be flexibility for different platforms to be used, at least in the near-to-medium term.
- (h) The reality is that a world-class system will not be achievable easily or quickly and the cost of implementation will need to be carefully measured against outcomes including residual risk (that is, after mitigating factors) at each stage.

4 GOVERNANCE OF THE ADMINISTRATION PROCESS

While the focus of this paper is on the back office processes that underpin the effective functioning of the super system, the Panel emphasises that the obligation of trustees to act in the best interest of fund members extends to their strategic oversight of the administration function. There is a real

problem that some trustees and their staff have insufficient understanding of e-commerce and the opportunity costs of not adopting it. The Panel considers that there is a clear need for trustees to have a more active engagement with the intricacies of administration so that they are better equipped to make strategic decisions about it. A consequence of current arrangements is that many trustees have tended to focus excessively on the costs of administration, without sufficiently recognising the risks to members associated with inadequately resourced administrators.

In chapter 1, the Panel recommended that, in relation to MySuper products, there should be a statutory obligation on trustees to consider whether, over the year ahead, their MySuper product has a sufficient scale on its own (with respect to both assets and number of members) to provide optimal retirement savings for its members. One corollary of enhanced scale is a greater capacity for the trustee to engage meaningfully across all of its key accountabilities, including the administration of members' contributions and benefits.

5 QUALITY OF DATA

A key to reducing costs in the super industry, without reducing service, is for funds to get the correct contribution allocated to the correct member in a single account without manual processing.

5.1 Improving data quality from employers

Under the SG Act and the *Superannuation Guarantee Charge Act 1992*, employers become liable to pay a non-tax deductible Superannuation Guarantee Charge unless they have made specified superannuation contributions for the benefit of each employee. As well as transmitting contributions, employers are the originators of essential data — the details of their employees for whom they remit contributions.

The consensus of submissions was that the data required for efficient administration was not always understood by employers and that the data provided was often inaccurate or incomplete. This is in part because many employers perceive limited incentives to ensure that the transmitted data is accurate or complete — notwithstanding that fund follow-up to try to link member and financial data imposes significant costs on the employer as well as on the fund itself. Whether an employer that remits contributions but provides incomplete or inaccurate data in respect of its employees has satisfied its SG Act obligations has not been tested in the courts.

The data required will depend on the timing of the transaction. A significant amount of data will be required when establishing a fund membership for an employee or when an employer first makes a contribution for a particular employee. To facilitate electronic communication between fund and member, both mobile phone number and email address are highly desirable. Strong anecdotal evidence is emerging that the mobile phone number is the strongest form of personal identification and stays attached to the owner more durably than street addresses or other forms of identification.

Data requirements will vary between funds with defined benefit funds needing different information from accumulation funds, such as salary details and years of service. However, common data required for contribution processing includes the following:

- (a) full name;
- (b) date of birth;

- (c) current address; and
- (d) TFN.

Employers are currently required to provide this data to the ATO as part of the Tax File Number Declaration⁹ for each new employee. The data set is similar to that provided to the ATO by super funds as part of the reporting of member contributions. Employers simply need to send data they already collect for the ATO or their own payroll purposes to the super fund.

For contributions made through a clearing house, for each employee the fund's name and Superannuation Product Identification Number (**SPIN**)¹⁰ would be required, with the employee's fund membership number being highly desirable.

Accurate and complete member details need to be provided with each payment in order to enable the contribution to be allocated to the correct account.

Some submissions argued that trustees and administrators should not accept non-compliant (incomplete) member information. This would require the super fund to identify within each bulk contribution transaction those members for whom data was incomplete or inaccurate, and return the money and details for those members until the employer fills out the correct information while retaining the balance of the money and allocating it to the members for whom the fund has complete information.

The Panel considers this to be an unsatisfactory outcome.

The Panel is conscious that, in seeking to drive efficiency gains, it should not disadvantage members for whom insufficient information is provided for an account to be established. To this end, the Panel considers that inadequately identified money should not be returned to the employer. The preferred outcome is that arrangements should be developed whereby unallocated contributions are retained in the super system, though not by individual funds, with remittance of money and any available employer and member data to the ATO as an interim step.

Recommendation 9.1

Relevant legislation should be amended so that in respect of employees who are members of accumulation funds, an employer must provide to the superannuation fund (or clearing house) its ABN and at least:

- (a) on first making a contribution in respect of a particular employee to that fund after the amendment comes into effect, the full name, date of birth, current address, email address (if known), mobile phone number (if known) and TFN of that employee, date of commencement of employment and the amount of the contribution being remitted in respect of that employee;
- (b) for each subsequent contribution in respect of each employee, the employee's name, TFN and the amount being contributed for that employee. If the contribution is made via a clearing house, the fund SPIN should also be required;
- (c) an employer that fails to meet the data requirements set out in (a) or (b) above becomes liable for an administrative financial penalty payable to the ATO in respect of each employee and each day it fails to meet the obligations. The ATO should have a measure of discretion about collection of the penalty. Alternatively, an employer that fails to meet the standards may be deemed to have failed to meet its SG Act obligations; and
- (d) a fund should be prohibited from accepting as a member any person for whom there is not provided sufficient identification data (full name, address and date of birth) to provide a proper preliminary identification, and from accepting any contribution which cannot be reasonably identified as being attributable to a particular member.

The Panel considers that the ATO is better placed than a fund to enforce collection of a penalty. In addition, the ATO would be in a position to identify whether an employer was making similar shortfalls in providing accurate information in respect of several different funds to which it was contributing.

Recommendation 9.2

If, after having been provided a reasonable opportunity, the employee fails to provide a TFN or other required details to the employer, the employer's SG Act obligations are satisfied if the employer electronically provides such employee identification details as it has to the ATO together with the requisite contribution. The ATO would then treat the contribution as unclaimed money. On provision of the TFN, the ATO would remit the amount held for that employee to the employer's default superannuation fund, together with the employee's TFN, name, date of birth and, where provided to the ATO, current address, email address and mobile phone number.

The Panel notes that, under the terms of this recommendation, a member who failed to provide a TFN would receive no interest on the contribution made on their behalf, and could not have insurance arranged for them through the fund. In the Panel's view, so long as a person in their first job has had sufficient time in which to apply for and receive a TFN from the ATO, these are simply consequences of the employer's decision to not provide their TFN.

Recommendation 9.3

The ATO should establish an employment web page where an employer can both register the tax status of a new employee in lieu of completing the paper TFN declaration and simultaneously advise the fund to which super contributions would be paid. The ATO would then communicate the new member details to the fund electronically.

The Panel notes also that establishment of the recommended procedures would require further investment in infrastructure on the part of the ATO.

5.2 Standardising data transmission

While some submissions argued that it is enough for the data to be provided, a clear majority favoured mandating a uniform standard format for delivery;¹¹ that is, prescribing exactly the manner in which data is required to be provided. While this would promote confidence and clarity, the Panel is mindful of the cost involved in updating IT systems and existing member details to comply with any proposed changes.

Recommendation 9.4

APRA should convene a stakeholder group including at least the ATO, employers, payroll providers, super administrators and trustee representatives to devise online forms covering all the common processes between:

- (a) the employer and the fund;**
- (b) the fund and the member; and**
- (c) different funds, such as occurs with ‘rollovers’.**

The Panel considers that such forms should be adopted by all APRA-regulated funds, including for transactions involving rollovers to or from SMSFs, by January 2012.

There would also need to be standards applying to the wholesale (peer-to-peer) transactions that occur from fund to clearing house, clearing house to clearing house and clearing house to fund.

Recommendation 9.5

The Government should be prepared to mandate the use of the forms, unless it is satisfied that there is near universal voluntary uptake.

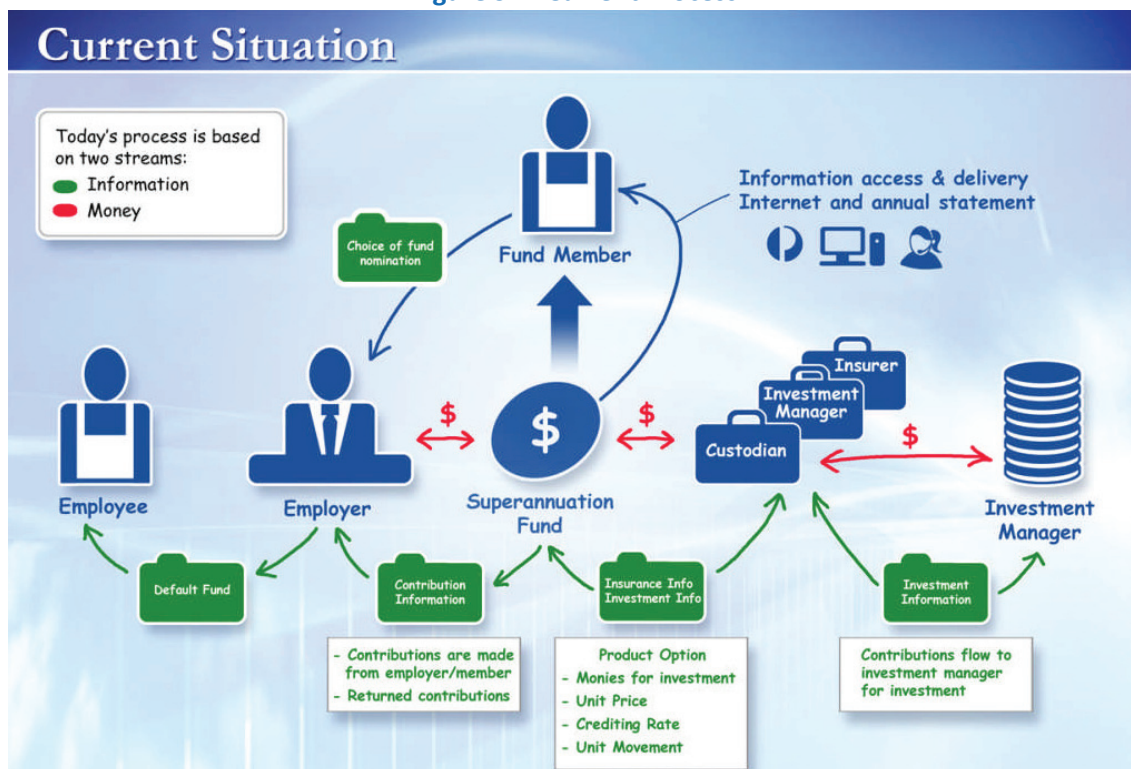
One of the most popular ideas, supported by the majority of submissions, is the use of the TFN as the single identifier. The use of TFNs is discussed in more detail in section 9 of this chapter.

6 EFFICIENT USE OF TECHNOLOGY AND E-COMMERCE

The extent of the current failure to properly and promptly link contributions with the correct member account leads directly to delays in investing contributions, with an overall lower rate of return for the member.

The current process can be mapped as follows:¹²

Figure 9.1: Current Process



Source: Payment Adviser, Submission no. 250.

The strong consensus of submissions is that e-commerce — the linked electronic transmission of data and money — is a major potential source of efficiency gains, leading to improvements in members' retirement benefits. However, the lack of common standards, the lack of early adopter benefits, the lack of incentive for employers (and especially small employers) to participate and the narrow profit margins for administrators have hindered progress so far.

Employer take-up of electronic transactions for super is a particular impediment. Only around 61 per cent of businesses are aware that all super funds to which they make contributions allow electronic payments. However, fully 38 per cent of businesses use only cheques and 22 per cent use a combination of cheques and electronic payments. Sole use of cheques is generally higher among businesses with fewer staff and lower turnover. Of the 60 per cent of businesses that do not exclusively use electronic payment methods, 65 per cent can see that it would increase efficiency. Despite this, 45 per cent of those who do not exclusively use electronic payment methods prefer to use cheques.¹³

Figure 9.2: The processes involved in an effective e-commerce solution could be represented diagrammatically as:



Source: Payment Adviser, Submission no. 250.

While a small number of respondents favoured the development of arrangements unique to superannuation, the majority favoured the use of existing e-commerce facilities in place in the wider community.¹⁴

Submissions also indicated the positive environmental impacts of electronic solutions, dramatically reducing the carbon footprint and environmental inefficiency of the current paper-based super payments system.¹⁵

For efficiency to be achieved, it is essential that data and money be simultaneously transmitted — any separation will reduce outcomes dramatically.

Recommendation 9.6

The Government should consider imposing a prescribed fee to be paid by the employer to any super fund to which the employer contributes on behalf of a member when the contribution is made other than in electronic form accompanied by sufficient details to adequately identify the member. That is, the fee will only apply if the contribution is paid by non-electronic means (such as by cheque) or if any payment is not linked with adequate member details. In order to give employers and industry time to adapt, such a fee should come into effect after education and an appropriate transition phase.

Recommendation 9.7

A condition of holding a licence to administer superannuation funds should be the capacity to provide e-commerce facilities to employers of all sizes.

6.1 Electronic funds transfer

EFT facilities give consumers a convenient and secure way of paying bills and afford a more efficient collection service for billers and financial institutions. Each month, 18 million bills worth \$11B are paid using BPay, and more than 84 per cent of these are paid on-line.¹⁶ Many submissions have called for the greater use of EFT in super. In fact, some called for all super fund members and employers to be able to use EFT.¹⁷

One submission noted that funds that have successfully implemented payroll-timed electronic capture of contributions have enjoyed savings in the order of 20 per cent of annual total administration costs.¹⁸

The Panel believes that all APRA-regulated funds should have the capacity to transact with employers, members and other industry participants using EFT.

6.1.1 Straight-through processing

Straight-through processing (**STP**) is an initiative used by companies across the world to process and complete transactions (both data and monetary) from start to finish (that is, end-to-end processing) utilising electronic systems without any manual handling or intervention. STP optimises the speed at which transactions are processed by enhancing e-commerce between participants, eliminating manual data entry and preventing errors. STP involves the use of a single system to process or control all elements of the work-flow of a financial transaction, including what is commonly known as the front, middle, and back office and general ledger.

STP is currently being implemented by financial companies in an effort to decrease settlement risk by shortening the transaction-related processing time. In Australia, the first step toward the introduction of STP was to develop an interface between the Austraclear¹⁹ and SWIFT²⁰ networks. This allowed users of both systems to send confirmation messages via SWIFT that are received by the Austraclear network and ultimately result in transactions in the Austraclear system without the need to re-key information. This has resulted in:

- (a) reduced resource requirements within the back office;
- (b) reduced manual processing errors; and
- (c) faster settlement times.²¹

6.1.2 Advantages of using STP

In the traditional method, every transaction involves costly multiple data re-entry from paper documents and other sources that are susceptible to errors, discrepancies, delays and possible fraud. Further, the traditional methods of capturing and processing information by paper, phone, fax and email require human intervention which slows the entire cycle, introduces errors and delays settlement. STP enables orders to be processed, confirmed, cleared and settled in a shorter time period, more cost effectively and with fewer errors. Apart from compressing the clearing and

settlement time, STP also provides a flexible, cost-effective infrastructure, which enables e-business expansion through real-time processing and access to enterprise data. STP also streamlines back-office activities, leading to fewer failures, lower risks (although with potentially larger impact if operational risks are materialised) and drastically reduces costs per transaction. It embraces a set of applications, business processes and standards, which are set to revolutionise the settlement and processing standards within the capital markets industry.

The Panel considers that STP, conducted with appropriate risk controls, represents the ideal operational environment for super funds.

6.1.3 SwimEC

SwimEC is the superannuation, wealth and investment management e-commerce program developed jointly by the superannuation and managed funds industries. It aims to deliver industry-wide cost reductions and efficiency gains by promoting industry message standards for e-commerce.

The swimEC program:

- (a) creates the standards, relationships and processes for the automated exchange of superannuation and managed funds information across all industry stakeholders; and
- (b) assists members to roll out the finalised standards into production.

The implementation of the swimEC standards would enable participants to:

- (a) increase efficiency by integrating systems with electronic gateways, automatic exchange of data and transfer of funds;
- (b) eliminate the use of multiple, expensive proprietary interfaces for messages among industry organisations, and allow administrators, payroll providers and small and medium enterprises and financial advisers to focus on core functional delivery;
- (c) decrease administrative costs by re-engineering internal business processes;
- (d) decrease costs by eliminating errors due to data entry and the use of paper for the transfer of information;
- (e) decrease the costs of responding to member and investor enquiries; and
- (f) decrease the resources required for administration, enabling resources to be reallocated.

It was expected that the adoption of standards-based e-commerce could provide cost reductions in excess of 20 per cent for specific transactions,²² or industry-wide cost savings of up to \$660M with full-industry adoption of the swimEC standards.²³

The adoption of the swimEC standards has been low across the industry because they are not mandatory. Reluctance to adopt the standards appears to be driven by the costs involved in implementing the standards; and the perceived lack of advantage in early adoption as the system depends on mutuality to generate cost savings. Also, the standards have been amended to incorporate the needs of many different industry participants resulting in many data fields that are only of relevance to a minority.

While swimEC was a worthy initiative on the part of the industry, it has not gained acceptance as the way forward for e-commerce in the super industry.

6.1.4 Standard Business Reporting

Standard Business Reporting (**SBR**) is an Australian Government initiative to reduce the burden of business to government reporting. Duplication of business reporting occurs across agencies and between jurisdictions, which means that the net reporting burden has continued to rise. SBR is a multi-agency initiative led by Treasury with ATO, ASIC, APRA and State and Territory revenue offices in partnership with software developers, business, bookkeepers, tax agents and payroll professionals. SBR is simplifying business-to-government reporting by:

- (a) removing unnecessary or duplicated information from government forms;
- (b) using existing business software such as accounting and payroll systems to automatically pre-fill forms;
- (c) adopting a common reporting language, based on international standards and best practice;
- (d) making financial reporting a by-product of natural business processes;
- (e) providing an electronic interface to agencies directly from accounting software, which will also provide validation and confirm receipt of reports; and
- (f) providing a single secure online sign-on for users to all agencies involved.²⁴

SBR is focussing on financial reporting first, given that it affects most businesses. Forms-in-scope of the SBR program include the Business Activity Statement (ATO), financial statement (ASIC) and payroll tax forms (State and Territory Government revenue offices).

SBR is expected to save Australian business an estimated \$800M per year once fully implemented, with phased roll-out commencing in July 2010. However, adoption of the SBR will be voluntary and no legislative changes will occur as a direct result of the initiative. As it will be cheaper, faster and easier to use, it is expected that there will be a large adoption of the SBR initiative.

While SBR will make business-to-government reporting easier, it will also enable the streamlining of the movement and use of financial information along the entire reporting chain, such as from business and intermediaries through to analysts, investors and regulators.

The SBR initiative to date has reduced the number of unique data elements used in government reports from 9,648 to 2,838, which represents an overall reduction of 71 per cent.²⁵

6.1.5 Potential utility of the SBR approach for superannuation transactions

While the Australian version of SBR is restricted to business-to-government reporting, there is potential for its protocols to be developed to provide an e-commerce framework for super. Already, the Netherlands has extended their version of SBR to business-to-business transactions. For example, participating banks in the Netherlands provide loan discounts to businesses that report using the framework, as it allows them to monitor the businesses accurately and at low cost.

The current SBR project does not extend to business-to-business transactions and provides only for the transmission of data, not money, so the potential for SBR to be used in super would have to be

explored. The Panel sees considerable potential in the industry adopting the SBR data protocols, which will already be adopted by many employers and embedded in business software systems. By linking this approach with an existing electronic payment system such as BPay, employers would have a better, lower cost facility for engaging directly with funds or a clearing house.

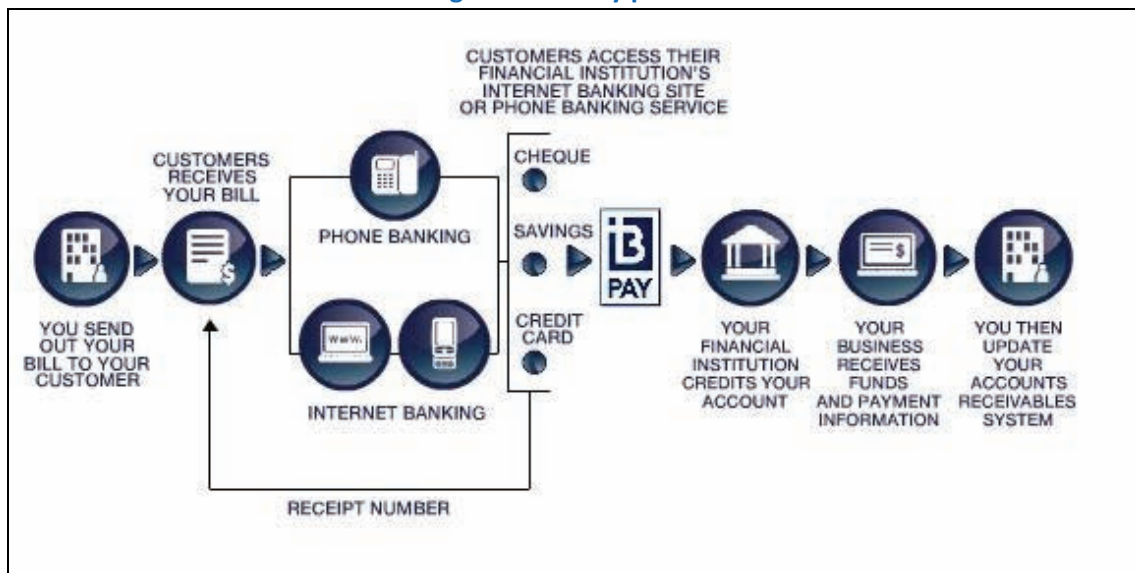
6.1.6 Assisting employers

In the same way that SBR is using existing business software packages to facilitate seamless reporting to government, the Panel notes that there are various products and portals already in existence that make it easier for an employer to make contributions to super. Examples include MYOB M-Powered Superannuation, Westpac's QuickSuper and Reckon Tools' SuperLink. The Panel considers that there is scope for these products to be modified as necessary to embody the SBR-type protocols it envisages applying to the super industry.

6.1.7 BPay

BPay is owned by the four major banks.²⁶

Figure 9.3: BPay process



Source: BPay.com.au

BPay transactions incur a flat fee of 45.1 cents per transaction from a debit account, or 40.7 cents per transaction plus 0.297 per cent of the transaction value when paid from a credit card account.

BPay utilises multiple levels of data validation to ensure that receipted payments are reconciled on a 'straight-through' basis. First, a unique biller code is assigned to each billing organisation. This is much like the SPIN associated with each fund. Second, each individual bill is issued with a unique 'bill identifier'. To ensure the accuracy of the bill data, an algorithm check routine is run against all inward bill payments. This enables billers to receive clear funds for the value component, removes the need for costly re-work of dishonour, and also to identify the remitter of the payment.

While BPay is primarily a consumer bill-paying service, it has the potential to be further developed as a business-to-business payment system suitable for processing super contributions. In particular, BPay has flagged the development of a successor product, MAMBO (**Me at My Bank Online**), which will facilitate the secure, linked transmission of payments and information.²⁷ Many larger funds already provide facilities for members to make after-tax contributions by BPay.

6.2 Achieving e-commerce as the norm in superannuation

The Panel is convinced that major cost savings are available in the superannuation industry through a shift from the fragmented and largely manual processing of member accounts, contributions and rollovers to a standardised electronic approach.

While attempts have been made to devise industry standards to facilitate this, they have been voluntary and to date have failed due to excessive complexity and low take up. The Panel notes the recent announcement by three major fund administrators of agreement on a set of principles to govern the electronic processing of rollovers between participating funds. These are to be further developed consistently with standards to be adopted by the Medicare Australia clearing house and using an open governance structure along the lines of that provided by the Australian Payments Clearing Association for banking.²⁸

Many administrators and clearing houses already engage with payroll providers to partially automate employer to fund transactions but, due to the lack of common standards across the industry, these processes often require funds to provide specific software to large employers and/or the application of proprietary middleware solutions to convert the output from payroll providers into a format useable by the fund administrator.

The Panel believes that a key pre-condition to fully effective e-commerce in super is the availability of a data base containing accurate and secure details of all funds other than SMSFs. Details to be incorporated would include, as a minimum, fund name, SPIN and bank account details including name, BSB and account number. To avoid the extraction of monopoly profits, this data base needs to be governed and administered on a cost recovery basis, either by a collaborative industry enterprise or by a government agency. Given that most of the required data is already held by APRA, and that APRA already has mechanisms for secure electronic communication with funds and the SBR hub, the Panel considers that APRA is best placed to develop and administer the data base.

Recommendation 9.8

Treasury should convene a working group comprising representatives of relevant segments of the financial sector to devise the process for development of SBR-compatible standards that provide for linked personal and financial data transmission and facilitate related software development. The standards should address transactions between employer and fund, fund and member, and between funds.

Development work should be financed through an industry levy.

All administrators and clearing houses should be required to adopt these standards as a licence condition.

6.3 Standards Australia

The move towards a largely automated back office for superannuation may lend itself to the development of a formal Australian standard registered with Standards Australia. However, the Panel considers this to be a matter which could be addressed in the future rather than needing to be resolved at this time.

7 ADMINISTRATORS

A few very large administrators have emerged over the past 20 years. Their role in the sector is critical to its success. The corporate failure of any one of them could create a very difficult position, while the operational collapse of one could create a real crisis.

The Panel has recommended in chapter 6 that administrators and stand-alone commercial clearing houses should be subject to licensing and prudential supervision by APRA.

8 CLEARING HOUSES

8.1 Single national clearing house

The Panel sought comment on whether there was the need for a single national clearing house for super transactions. The consensus from submissions was that clearing houses serve a valuable purpose, and that the recently announced government-funded service for small businesses was an important initiative. However, most submissions considered that there is currently an effective market in clearing house services which could be strengthened with the adoption of common e-commerce standards.

8.2 Small Business Superannuation Clearing House

On 26 November 2009 the Government announced that, from July 2010, Medicare Australia would provide free super clearing house services for small businesses with less than 20 employees.²⁹ The Small Business Superannuation Clearing House aims to assist small businesses to reduce the time and paperwork burdens involved in meeting their SG Act obligations. It will allow those eligible small businesses to pay their super contributions electronically to a single location.

Other key initiatives of the Small Business Superannuation Clearing House include:

- (a) employers will be able to pass on choice of fund nominations to the clearing house for processing;
- (b) small businesses that choose to use the clearing house service will have their SG Act obligation to make superannuation contributions discharged when payment of the correct amount is made to the clearing house rather than when it is forwarded on to the fund; and
- (c) Medicare Australia has developed an online system for registration and on-going payments.

Small businesses have been able to register for the service since May 2010.

8.3 Required developments for clearing houses

Some submissions suggested that administrators must have the capacity to act as a clearing house as well as an administrator, that is, to be able to receive data and money in respect of super funds in addition to those that they administer. The Panel has recommended in chapter 6 that stand-alone commercial clearing houses should be licensed as a sub-set of administrators.

Alternatively, BPay or similar platforms could be employed by a super fund with a customer reference number attributed to each member. Contributions could be linked to member accounts which would reduce administration processing time and the need for external clearing houses.

There is currently an incentive for clearing houses to retain funds while clarifying member data with a contributing employer, as they can benefit from the interest earnings on the contribution pending its transmission to the fund. The time that money sits with a clearing house represents time out of the market for super fund members, and so works to their detriment.

Recommendation 9.9

As a standard licence condition, clearing houses (including administrators offering a clearing house service) should be required to provide linked member and funding data electronically to the fund within two business days of receipt of clean data.

9 TAX FILE NUMBERS

9.1 Background

The TFN is a unique number issued by the ATO to identify individuals, companies and others who lodge income tax returns. Members who do not quote their TFN to super funds are unable to make after tax contributions. While quotation of TFNs is not compulsory in super, industry sources have stated that around 90 per cent of member accounts have an associated TFN. The Panel has recommended that employers should be able to satisfy their SG obligations with respect to employees who fail to provide a TFN after being given reasonable opportunity to do so by remitting the amount to the ATO (see recommendation 9.2).

The Privacy Commissioner's TFN Guidelines regulate the collection, storage, use, disclosure, security and disposal of TFNs.³⁰ Part 25A of the SIS Act sets out requirements for the provision, storage, use and disposal of TFNs within the superannuation system. The *Taxation Administration Act 1953* also prohibits unauthorised requests for, recording, use or disclosure of TFNs. The *Data-matching Program Act 1990* and data-matching guidelines regulate data-matching records using the TFN between the ATO, Centrelink and the Department of Veterans Affairs.³¹

The TFN was designed to improve the service and administrative efficiency of the tax system, including data-matching.

9.2 Office of the Privacy Commissioner, Privacy Act and TFNs

The Office of the Privacy Commissioner is an independent statutory body whose purpose is to promote and protect privacy in Australia. The Office is established under the *Privacy Act 1988* (**Privacy Act**) and has responsibilities for the protection of individuals' personal information handled by Australian government agencies, large private sector organisations, private health service providers and some small businesses.

The Privacy Act largely protects the personal information of individuals through binding privacy principles. Personal information is defined generally as information or an opinion that identifies an individual.³²

The handling of TFNs in the superannuation context is already allowed under the TFN Guidelines. The current TFN guidelines last amended in March 2004, relevantly say that:

- (a) the rights of individuals under taxation, assistance agency or superannuation law to choose not to quote a TFN shall be respected;
- (b) the TFN is not be used to establish or confirm an individual's identity, obtain information or match data about the individual for any purpose not authorised by superannuation law; and
- (c) TFN information shall only be used or disclosed by TFN recipients as authorised by taxation, assistance agency or superannuation law.³³

As indicated in the Privacy Commissioner's submission to Phase Two of the Review, TFN data-matching by super funds for purposes such as:

- (a) more efficient handling of inactive superannuation accounts;
- (b) automatic consolidation of multiple accounts; and
- (c) reduction of incidents of lost accounts by re-uniting 'lost members' of super funds,

would amount to an extension of the TFN's current use, rather than a completely new application.³⁴

Interestingly the Privacy Commissioner's notes in the TFN guidelines indicate that,

*"the purpose of the tax file number is to facilitate ... superannuation administration" and "the tax file number can only be used or disclosed by tax file number recipients for reasons necessary to administer or comply with ... superannuation law."*³⁵

While the Privacy Commissioner's notes provide an interpretation of the TFN guidelines, the annotations do not form part of the law. Therefore it appears that adopting the TFN as an identifier within the super system for the purposes of improving administration can be achieved if those TFN requirements were included in the superannuation law. This is supported by the Privacy Commissioner in its submission to the Super System Review, as follows:

"The Office understands that generally, TFN data-matching by super funds would only be permissible under the TFN Guidelines where such activities are authorised under superannuation law. If the Government were to consider such a proposal it would need to determine whether current superannuation law provided the necessary authorisation or if amendments to existing law are required.

*Legislative amendments which clearly authorise specific matching activities would provide appropriate certainty for super funds and regulators."*³⁶

The Privacy Commissioner is not opposed to promoting efficiency in the super system through limited and clearly articulated use of the TFN, provided such a proposal is measured and accompanied by strict privacy safeguards to protect personal information and choice, and is based on the likelihood of strong individual benefits.³⁷

This approach reflects the Government's intention regarding the use and protection of unique identifiers. This intention was indicated in the Government's first stage response to the Australian

Law Reform Commission report titled *For Your Information: Australian Privacy Law and Practice*, recommendations 30-2.^{38 39}

Recommendation 9.10

Having regard to the extended use of personal information proposed in SuperStream, Treasury should be tasked with preparing a Privacy Impact Assessment to help identify and assess any privacy impacts of the ‘SuperStream’ proposals adopted by the Government.

9.3 Proposed extended use of TFNs in superannuation

There is widespread consensus in the industry that the lack of a unique member identifier, which can be used to link accounts with contributions and to identify multiple accounts held by the same person, is a significant impediment to major cost savings in the industry. The Panel endorses those concerns. The Panel also notes that the great majority of member accounts already have an associated TFN.

The Panel considers that, where a member has consented to the use of their TFN for the purposes of the superannuation legislation, it would be consistent with the intent of that consent for the TFN to be used for administrative purposes designed to reduce costs and so maximise member retirement benefits.

Recommendation 9.11

Relevant legislation should be amended to permit superannuation fund trustees and their agents to:

- (a) use TFNs as a primary search key to link contributions and rollovers with member accounts;**
- (b) seek confirmation from the ATO in relation to each new member that the quoted TFN is correct;**
- (c) seek confirmation from the ATO in relation to each requested rollover to a SMSF that the member holding the quoted TFN is a member of that SMSF; and**
- (d) exchange the TFN with other trustees to identify accounts in multiple funds held by the same individual, and hence permit the trustee of the fund to which contributions are currently being made to invite the member to initiate consolidation of the accounts.**

10 PORTABILITY, SMALL/INACTIVE ACCOUNTS, LOST MEMBERS AND ERFs

10.1 Background

The sixteen eligible rollover funds (**ERFs**) form a unique segment of the superannuation system.⁴⁰ These funds were intended to be a temporary repository for the benefits of members who have lost connection with their super, and to protect those members. In practice, ERFs also accept rollovers

from super funds for a number of other reasons where the member has not actively made a choice about their superannuation.

ERFs are obligated to receive payments from another super fund, an approved deposit fund, or a Retirement Savings Account (**RSA**). An ERF must also treat each member, regardless of their account balance, as a 'protected member'. For all other super funds, a member is only 'protected' if they satisfy the conditions in SIS Regulation 1.03, primarily members whose balance is below \$1,000.

ERFs have not achieved the intended objectives because:

- (a) Some funds do not send small inactive accounts to ERFs.
- (b) Some ERFs appear to have made little effort to re-connect people with their super. There is little incentive to align members with their money because of the cost of matching and because ERFs continue to collect ongoing fees on these 'inactive' accounts. Rice Warner estimated that, for the year ended 30 June 2008, the average fee for ERFs was 2.49 per cent,⁴¹ although this figure equates to an average of \$23.16 per account per year because of the predominance of small accounts in ERFs. However, because of the very low level of activity inherent in the operation of an ERF, the member account perspective is less relevant than in a normal super fund.
- (c) There has been no unique member identifier to aid the process.
- (d) Matching lost members with unclaimed super is costly. Ultimately, the cost of running the exercise depends on the volume of matches. In 2008, one ERF undertook cross-matching of three million accounts, leading to approximately 104,000 accounts (with a total value of \$39M) being matched; an average of \$400 per account. This exercise cost approximately \$625,000, being \$79.93 per 1,000 records, plus a cost of \$3.68 per successful match.⁴²

Legislation has been passed to give effect to the Government's 2009-10 Budget announcement which will require superannuation providers to transfer to the Commonwealth all 'lost member' accounts that have a balance of less than \$200, and all those accounts that have been inactive for more than five years and for which there are insufficient details to identify the owner. This will come into effect from 1 July 2010, and is expected to reduce the number of lost and unidentifiable accounts by about 40 per cent with consequential administrative savings for funds. It is expected that approximately \$238M will be transferred to the Commonwealth over the next three years.

The general approach of this measure was canvassed in the November 2008 discussion paper *'Superannuation Clearing House and the Lost members Framework'*. Other lost member issues canvassed in the discussion paper, such as the definition of a lost member, trustee obligations and automatic consolidation, are subjects of the Review's consideration.

Even when members are not lost, many have multiple accounts. As at June 2008, there were in excess of 32 million member accounts in the super system despite the total Australian population being only 22 million.⁴³ While there are some individuals who have sound reasons to hold more than one super account — for example, to have one account providing a transition to retirement pension and another to receive contributions, or to maintain access to certain insurance benefits — each duplicate account incurs administration costs. In many cases, this is simply a deadweight cost to the individual and the system overall.

When a member wishes to consolidate accounts, it is often a time-consuming and frustrating process. One provider reports that only 6 per cent of members who started a consolidation process actually completed it.⁴⁴ Many small balance accounts are abandoned even if not lost, with the benefit being eroded due to fees and charges. This contrasts with consumers wishing to change banks or mobile phone providers, where the receiving entity is authorised to contact the former provider on the customer's behalf and implement the change.

10.2 Facilitating account consolidation

If the SuperStream recommendations are implemented, it is expected that over time the problem of lost members will diminish significantly. However, wider use of TFNs with other electronically available identifiers can accelerate the process of reducing the number of lost, inactive accounts.

Other measures can be put in place to make it easier for members to consolidate their superannuation accounts when they wish to do so.

The automatic consolidation of all of an individual's accounts across a number of funds would become feasible, subject to implementation of the SuperStream recommendations, and subject to specific legislative change to authorise it. However, this presents specific problems because:

- (a) some people hold inactive accounts so that insurance cover will continue. (This rationale does not warrant maintaining an ERF account because they cannot provide insurance cover); and
- (b) lack of identifiers leads to cases where apparent similarity of detail results in inappropriate merging of accounts. On the other hand, minor differences in detail result in the creation of multiple accounts in the first place.

10.2.1 Auto-consolidation within the same fund

In some cases, members can have multiple accounts and be paying multiple fees within the same fund. This can happen, for instance, when the member has had a succession of different jobs within a certain industry and has been enrolled into the same default fund on different occasions, perhaps with different home addresses or other identifying details. In cases like these, the loss of insurance is not likely to be a relevant factor, because the member would generally retain insurance cover through the account that was currently receiving contributions.

However, it is obviously detrimental to the member, and a source of significant inefficiency across the industry, that members in this situation are having multiple sets of fees deducted through inertia and/or an inability to use a common identifier to consolidate them into a single account. The Panel recognises that there will be cases where the member has positively elected to hold multiple accounts within the same fund — for example, as is now reasonably common for example with members utilising a transition to retirement facility — but at an overall industry level the vast majority of duplicate accounts appear to have arisen from the administrative inertia described above, not from positive choices exercised by members.

Consequently the Panel considers that a reduction in multiple account holdings will strip unnecessary costs out of the system and, all else being equal, will lead to a reduction in administration costs as a percentage of assets under administration. It acknowledges, however, that spreading fixed administrative costs over a smaller number of accounts may lead to an increase in the weekly amount needing to be charged to those remaining accounts.

Recommendation 9.12

Necessary legislation should be enacted to permit the trustee to auto-consolidate accounts without prior reference to the member, where multiple accumulation accounts within a single fund share a common TFN and member surname and the multiple accounts have not been established by deliberate elections by the member concerned.

10.2.2 Optional account consolidation across more than one fund

Difficulties with automatic account consolidation could be overcome by having mechanisms permitting the member to opt in or out of the consolidation process, whereby data matching across funds identifies members with multiple accounts and then auto-generates a message to the member asking them to nominate a single account. The member could choose to keep them all open or, if the member did not advise the trustee within 60 days of a decision to retain some or all of the accounts, the accounts could be automatically consolidated into the fund with the most recent contribution.

The critical step, missing in the system at present, is to draw the issue of multiple accounts to the member's attention, and then make it easy to resolve them. The ATO, through its SuperSeeker website, enables members to search for accounts where the fund has reported the member to the ATO as being lost. However, many members with multiple accounts are not recorded as lost, and there is no current facility which would enable members or funds to identify, from a single site, all of a person's super accounts.

The Panel sees advantages with both the opt-in and opt-out approaches to account consolidation across funds, but considers this a matter for further consideration in the implementation phase.

Recommendation 9.13

The ATO should develop electronic means to display all the super funds of which an individual logging on is currently a member. Similarly, the ATO should provide an electronic facility to include all member accounts for which it holds TFN identification.

10.2.3 Rollovers/switching funds

The current requirements for members wanting to change funds are triangulated. Members need to contact their employer to have future contributions redirected and also need to contact their existing fund to have their existing balance transferred to their new fund. A simpler way is needed.⁴⁵

In its submission, the consumer group CHOICE was strongly critical of the ATO's standard choice form NAT 13080 saying that it acted as a barrier to choice and mobility.^{46,47}

The Panel agrees that it is too difficult for members to consolidate multiple accounts to their chosen fund because of the onerous requirements placed on them by funds to roll their money out. Despite the introduction of a standard form by way of Schedule 2A to the SIS Regulations, the information required by this form is overly-detailed, the identification requirements are onerous and the process becomes simply too difficult.⁴⁸ In addition, even when a person completes the current standard form, many funds reject this in favour of the fund's own form.⁴⁹

Recommendation 9.14

To facilitate consolidation of multiple accounts:

- (a) procedures should be established between the ATO and administrators and clearing houses so that when an employer seeks to enrol a new member, the fund administrator (or clearing house if one is used) must validate the TFN provided with the ATO to ensure that it is the number for the individual named; and
- (b) at the same time, the ATO should be required to check its data base to see whether it holds unclaimed money for that member. If so, it should advise the administrator and transfer the money. The ATO should also determine whether the member has more than one account. If the member has more than one account, the administrator of the new fund should be notified and then determine with the member whether they wish to consolidate their accounts.

Recommendation 9.15

Relevant legislation should be amended to:

- (a) remove from super funds the current exemption from initial customer identification requirements under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* when a member exercises a choice to join that fund, or to roll into that fund the whole or part of a benefit from another fund. Risk-based customer identification would ordinarily be satisfied if the member has provided their TFN to the fund and the trustee has confirmed with the ATO that the TFN is correctly associated with the details for that member or the trustee has confirmation from its own records or another APRA-regulated fund that they have previously provided that level of identification;
- (b) enable the trustee of an APRA-regulated fund, with the authority of a member, to initiate a rollover of all or part of that member's benefit from another fund as though the member had initiated the request to the exiting fund, without further proof of the member's identity being required;
- (c) require the trustee of any fund receiving such a request to normally remit the member's balance electronically to the new fund within two clear business days, subject to a capacity for APRA to provide relief from this provision when prudential considerations require it;
- (d) amend the choice of fund form to make it more user-friendly and to enable the member to tick a box requiring all super accounts to be consolidated, with the nominated APRA-regulated fund to action as above. In view of the greater engagement of most SMSF members, and risks identified in the use of SMSFs for illegal early release of superannuation, this facility should not be extended to the trustees of SMSFs at this stage; and
- (e) override any provision in the governing rules of any fund with a defined contribution component that would otherwise prevent the consolidation of member accounts.

10.3 One national ERF

A majority of submissions opposed a single national ERF and the Panel recognises that there may well be constitutional difficulties in seeking to implement one.

The Panel considers that if the proposed cross-fund matching rules and the use of the TFN reduce the number of lost accounts, there is likely to be a consolidation in the sector. Also, regulatory changes could address remaining problems with ERFs; in particular, the Panel's intention that ERFs should operate under a model very similar to that for MySuper should lead to a reduction in costs in that sector. These matters are further discussed in chapter 10.

11 CONTRIBUTIONS

11.1 Regulation of contributions

The ATO currently has regulatory responsibility for SG Act contributions, concessional and non-concessional contributions and the government's co-contribution. The ATO also has responsibility for monitoring the aggregate level of member after-tax contributions. On the other hand, APRA has administrative carriage of section 64 of the SIS Act, which requires employers to make timely remittance to a fund of employees' after tax contributions made through the employer. There are no regulatory requirements about the timely remittance of salary sacrificed contributions. If an employer fails to remit salary-sacrificed contributions to a fund, or to do so in a timely manner, the employee's only recourse would be by way of civil court action. The Panel believes this is clearly inadequate.

11.1.1 Frequency of employer remittance of contributions

Currently, there are two payment periods in place for contributions — one (quarterly) for SG Act contributions and one (monthly) for member voluntary after-tax contributions. Under the SG Act, members' salary sacrifice contributions are regarded as employer contributions and count toward the employer's SG Act obligations even though they are before-tax contributions being paid by members from their pay.

A number of submissions suggested more frequent remittance of contributions would enhance efficiency; for example, monthly or in-line with payroll arrangements.⁵⁰ The Panel notes the recommendation in the Review of Australia's Future Tax System (**the AFTS Review**) that SG contributions should, over time, be paid at the same time as wages.

Increasing the frequency of contribution would improve the compounding periods of returns to members and, consequently, would potentially improve member superannuation savings. In its submission, Cuscal cited an estimate by Rice Warner Actuaries that members could earn an additional \$2.2B over 10 years if member contributions were invested sooner via electronic means.⁵¹ While this is highly desirable from a member perspective, the Panel also has regard to the impact of any abrupt change to contribution frequency on an employer's cash flow.

The Panel also notes the Government's intention that SG contributions should be increased to 12 per cent over the period 2013-14 to 2019-2020. As near universal adoption of electronic remittance of contributions via SuperStream should lead to a reduction in employers' costs of administering superannuation, the Panel considers that it would be appropriate to delay any change in the frequency of SG Act contributions until SuperStream has been implemented.

A number of submissions recommended that salary sacrifice contributions be remitted monthly as if they were after-tax contributions. Adopting this suggestion would mean that other SG Act contributions should also be made monthly as there is no reason to distinguish between the two. Otherwise, some employers might discourage salary sacrificed contributions because they are required under the SIS Act to remit them more frequently than SG Act contributions.

The Panel notes and endorses the AFTS Review recommendation that employers should report to employees when a superannuation contribution is made on their behalf. It considers that, if that time differs from the time at which salary payments are withheld to fund the super contributions, or an SG amount becomes due, those amounts should be reported to the employee on his or her payslip.

11.1.2 Roles of ATO and APRA

While most submissions consider the ATO the logical overseer of SG Act contributions, there were many comments about the ATO's performance in enforcing the SG Act.⁵² Concerns were noted about the extent to which the ATO enforces the SG Act with respect to independent contractors and follows up complaints by employees about deficient payments by employers.⁵³

Recommendation 9.16

Relevant legislation should be amended so that:

- (a) an employer is required to remit salary sacrificed and SG Act contributions no less frequently than it is required to remit a member's after-tax contributions;
- (b) the timing of payment of SG Act contributions should be adjusted after SuperStream has been implemented so that SG payments align with employers' payroll cycles;
- (c) the employer is required to report on each payslip issued to an employee the amount of superannuation to be paid to the employee's fund, whether SG, salary sacrificed or after tax contributions;
- (d) the ATO is specified as the sole regulator generally responsible for compliance with all aspects of superannuation contributions, other than those relating to compliance with industrial awards. APRA should retain responsibility for overseeing the solvency of defined benefit plans and any action needed to restore a DB fund to a satisfactory financial position; and
- (e) when an employee makes a complaint that an employer is not meeting its SG Act obligations, the ATO should continue, on a risk-assessed basis, to assess the employer's compliance with its SG Act obligations for all employees in the particular workplace, and not only the complainant.

12 OVERSEEING THE IMPLEMENTATION OF SUPERSTREAM

It will be critical to have in place an on-going governance structure to oversee the development and mandate the implementation of the standards that are central to SuperStream. One possible reason why existing proposals such as SwimEC have failed to get significant traction is that they have lacked an appropriate governance (and legislative) framework.

The Panel has considered the Payments System Board (**PSB**) as one possibility. The Panel notes that the PSB has commenced a strategic review of innovations in the Australian payments system. Given its focus on structural innovation where competing industry providers need to engage on developments that improve the overall system, the Panel sees this as a useful vehicle to give consideration to issues surrounding the implementation of SuperStream.

In theory, SuperStream could be declared a 'payments system' by the PSB under the *Payment Systems (Regulation) Act 1998*. Doing so would mean that the PSB could:

- (a) determine rules for participation in that system, including rules on access for new participants, drawing on expertise from the Australian Competition and Consumer Commission;
- (b) set standards for safety and efficiency for that system. These may deal with issues such as technical requirements, procedures, performance benchmarks and pricing;
- (c) direct participants in a designated payment system to comply with a standard or access regime; and
- (d) arbitrate on disputes in that system over matters relating to access, financial safety, competitiveness and systemic risk, if the parties concerned wish.

Other possibilities include a role for Standards Australia, a wholly new body or the Australian Payments Clearing Association.

On balance, however, the Panel considers that Treasury is best placed to oversee and drive the initial implementation phase for SuperStream, given the extensive coordination needed between: Treasury itself, as the government's primary economic policy adviser; the ATO; other regulators; industry; and other stakeholders.

Recommendation

The Government should task Treasury with coordinating the initial implementation phase of SuperStream, and with advising on sustainable governance and oversight arrangements for the system into the future.

ENDNOTES

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- 3 BT Financial Group, Submission no. 151, pp 5-10.
- 4 Ernst & Young 2008, *The Super Iceberg – What’s beneath the surface of choice?*, Ernst & Young, <www.investmentlink.com.au/resources/pdf/EY%20super%20choice%20report.pdf>.
- 5 SuperChoice, Submission no. 189, p 32.
- 6 SuperChoice, Submission no. 189, p 32.
- 7 SuperPartners, Submission no. 217, p 8.
- 8 Cuscal, Submission no. 157.
- 9 Australian Taxation Office *Tax file number declaration (NAT 3092)*, <www.ato.gov.au>.
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- 11 For example, Cuscal, Submission no. 157.
- 12 Payment Adviser, Submission no. 250, p 4.
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- 14 For example, IFSA, Submission no. 226; AMP, Submission no. 146; Cbus, Submission no. 152.
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- 16 BPAY <www.bpay.com.au/about/company_history.aspx>.
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- 19 Austraclear is a proprietary system operated by Austraclear Limited, a wholly-owned subsidiary of ASX. Its members are the major participants in the money market: banks; government and semi-government bodies; insurance and superannuation companies; trustee companies; non-bank financial institutions; and larger corporations. Austraclear provides an electronic central depository (for private sector, Commonwealth government securities and semi-government securities) and an electronic system for transferring ownership of securities without the need for the physical transfer of paper.
- 20 SWIFT is the Society for Worldwide Interbank Financial Telecommunication, a member-owned cooperative that provides the proprietary communications platform, products and services that allows customers to exchange financial information securely and reliably. It also acts as a catalyst to bring the financial community together to work collaboratively to shape market practice, define standards and consider solutions to issues of mutual concern.
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- 25 Standard Business Reporting, *In Brief – Major Streams of Work 2007-10*, <www.sbr.gov.au>.
- 26 Further information at <BPay.com.au>.
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- 29 Minister for Financial Services, Superannuation and Corporate Law, Press Release 040, 26 November 2009.

- 30 Office of the Privacy Commissioner, *Tax File Numbers* <www.privacy.gov.au>
- 31 Office of the Privacy Commissioner, *Government data-matching* <www.privacy.gov.au>.
- 32 Privacy Act 1988 (Cth) section 6.
- 33 Office of the Privacy Commissioner, *Tax File Number Guidelines 1992*,
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- 34 Office of the Privacy Commissioner, Submission no. 210, p 6.
- 35 Office of the Privacy Commissioner, *Tax File Number Guidelines 1992*,
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- 45 Mercer (Australia) Pty Ltd, Submission no. 170, pp 38-40.
- 46 Australian Taxation Office, Standard choice form NAT13080,
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- 49 BT Financial Group, Submission no. 151, p 14.
- 50 For example, Financial Planning Association, Submission no. 224, p 18.
- 51 Cuscal, submission no. 157, p 6.
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