

The Chairman  
Productivity Commission  
Superannuation Review – Alternative Default Models  
Locked Bag 2, Collins St East  
MELBOURNE VICTORIA 8003

## Submission – Superannuation: Alternative Default Models, Draft Report

### Introduction

The Gateway Network Governance Body Limited seeks to make a limited submission in relation to only one aspect of the Draft Report on Superannuation: Alternative Default Models, being the question of whether there is a case for a central clearing house.

The Gateway Network Governance Body Limited urges that before the Commission consider recommending a central clearing house, first assess the extent to which the policy objectives outlined by establishing a central clearing house are already achieved by the established Superannuation Transaction Network, and seeks in this submission to provide further detail to the Commission on the current arrangements.

### Executive Summary

The GNGB is concerned that the creation of a central clearing house could undermine the efficiencies already gained with the introduction of SuperStream, and introduce further change to a system that has established stability in the electronic transaction environment for superannuation. It is our assertion that the objectives intended by a single, centralised clearing house are currently being met effectively and efficiently by the implementation of SuperStream and the operation of the Superannuation Transaction Network.

## The Gateway Network Governance Body Limited and the Superannuation Transaction Network

The Gateway Network Governance Body Limited (GNGB) was established in September 2016, as an industry-owned, not-for-profit organisation whose purpose is to manage the integrity of the Superannuation Transaction Network (STN), which is the network created by the Gateway Operators who transact superannuation data under the SuperStream Data and Payments Standards. The role of the organisation is to promote the efficiency and effectiveness of the network, monitor compliance, support change and work with the gateways and industry on initiatives that support these objectives. The GNGB was established out of the SuperStream reform program, with early work by industry then the Australian Tax Office to ensure an efficient and cohesive network supporting the industry to meet its obligations.

The GNGB has support of the superannuation industry, gateways and employer representatives, and includes as its members the following Co-Sponsors:

- Association of Superannuation Funds of Australia (ASFA)
- Australian Institute of Superannuation Trustees (AIST)
- Financial Services Council (FSC)
- Australian Business Software Industry Association (ABSIA)

as well as an Associate Co-Sponsor:

- Gateway Association and Transaction Exchange (GATE).

The GNGB roles include engagement with key stakeholders, including the Australian Tax Office and the Australian Prudential Regulatory Authority to ensure that the network remain relevant, reliable, and keeps pace with changes in superannuation.

The network created by the interoperation of the Gateway Operators in the superannuation system is known as the Superannuation Transaction Network (STN). The GNGB meets its governance responsibilities of the STN by the operation of a Memorandum of Understanding between the Gateway Operators and the GNGB, which requires compliance with Gateway Standards and associated requirements concerning information security, service level standards, amongst others. The GNGB carries out a range of activities to monitor and manage compliance and interoperability between these providers.

The GNGB is governed by a Board, comprising of Directors appointed by members, and an independent Chair. It has two further forums: Gateway Operators Meetings that manage operational matters and implementation of change, and a Technical Working Group that considers technical interoperability and testing matters. The GNGB also has a process for managing potential disputes through a Disputes Resolution Panel. The GNGB activities include review and audit of information security requirements to ensure the network is robust and secure, and a process for managing a Business Continuity Plan in the event of incidents that affect the network.

The GNGB mechanisms and processes also allow for change over time in the network and to meet the changing needs of industry, regulation and emerging technology change.

### Gateway Operators and Services

As a result of the implementation of SuperStream mandatory Data and Payment Standards across employers and the superannuation industry, most entities engaged providers, known as Gateway Operators, to meet certain obligations under those requirements. The Gateway Operators comprise a range of different types of organisations, including clearing houses, payroll services, specialist data management providers and self-administered superannuation funds, serving a range of client types.

Gateway Operators offer clearing services, integration into registry systems, data transformation into a standards-compliant format, data integrity screening services, integration into payroll systems, reconciliation services and transaction reporting and monitoring, to meet their various client needs.

These services, in a digitised transaction environment, provide vital structures to manage data integrity and payment reconciliation, and support efficient, straight-through processing. The transaction services provided are therefore a part of a broader landscape of electronic and data services, and meets already many of the objectives sought by centralising a clearing house.

The industry has made significant investment in electronic transaction capability, and the associated commitment to more efficient processes. The services the Gateway Operators provide have assisted and supported these improvements. The management of data, and at times payment, by these providers is part of the landscape of the superannuation industry, and is well-integrated into vital processes within the industry.

A consequence of the development of solutions available is that employers have access through a range of options, to low cost and no cost services that ensure that contributions can be sent compliant with the SuperStream mandatory Data and Payment Standards, and delivered by Gateway Operators across the STN to destination superannuation funds.

### Conclusion

We would ask that any further consideration of a central clearing house be the subject of rigorous industry consultation on the need and value, taking into account the investment to date, and the potential cost and disruption.

### Contact details

We welcome questions or discussion on any matter raised in this submission to:  
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