Executive Summary

SuperStream 'pass-through' regulation

BACKGROUND

One of the key findings of the Super System Review in 2010 was that existing administrative processes imposed significant and unnecessary costs on both superannuation funds and employers.

In response, the former government introduced SuperStream to simplify and streamline processing within the superannuation system. Key to this is standardising the data formats used for fund-to-fund and employer-to-fund transactions.

ISSUE

In general, employers have to send superannuation contributions – and the accompanying data – to more than one fund, since most employees can choose which fund they want their contributions to go to. Currently, each fund can dictate the format and channel by which the payment and accompanying data are to be delivered. The maintenance of different processes for different funds imposes excessive compliance costs on employers.

To address this, the SuperStream reforms are establishing a single data format for contribution transactions. From 1 July 2014 onwards employers will begin to use a standardised format and language when delivering contributions data to funds. This will resolve the issue of multiple data formats but will not remove the need for employers to deliver data to multiple destinations.

The structure of the standardised data format and the infrastructure network that has been developed to implement SuperStream facilitates the automatic routing of data between funds. In most cases, an employer will be able to send a packet of contributions data to a single destination – even if it contains data destined for several different funds — and be certain that the data will be routed correctly. However, this is not always guaranteed, which means that employers cannot be certain that their process will fulfil all of their obligations.

PROPOSED RESOLUTION

It is proposed that a 'pass-through' regulation be implemented so that, if a fund receives data that relates to a contribution being made to another fund, it would be required to on-forward that data to the other fund – e.g. If *Fund ABC* received data about a contribution being made to *Fund XYZ,* then *Fund ABC* would be required to pass the data onto *Fund XYZ.*

The one-time start-up costs borne by some funds would be substantially outweighed by the significant benefits that accrue to employers and funds in general over time.

REGULATORY COSTING ANALYSIS

Implementation of a pass-through regulation as recommended would deliver to industry **an average annual cost saving of approximately $3.2 million per year** over a ten year period.

CONSULTATION

Significant consultation has already occurred. This has included funds, administrators, industry associations, software providers and employer groups.

The majority of stakeholders support the introduction of a pass-through regulation and some funds already offer a similar service.

The ATO and APRA have been consulted on a preliminary version of the drafting instructions. Should the preferred option be adopted, Treasury would conduct targeted industry consultation on the design of the regulation. Later, there would be full public consultation on an exposure draft of the regulation.

IMPLEMENTATION AND REVIEW

The proposed pass-through regulation would take effect from 1 July 2015.

A post-implementation review would be undertaken if systemic issues were identified with regard to the routing of contributions data after the system has matured.

Regulation impact statement
SuperStream 'pass-through' regulation

BACKGROUND

The Super System Review (Cooper Review) made recommendations to Government in 2010.

One of its key findings was that existing administrative processes imposed significant costs on the industry. These included excessive costs and complexity arising from the manual processing of money and data relating to superannuation contributions, the lack of standardised data formats and the prevalence of poor and incomplete data – which increases the number of accounts lost in the system, increases the costs of administering these accounts, for both funds and the Australian Taxation Office (ATO), and reduces the retirement benefits available to individuals.

In response, the former government introduced the 'SuperStream' measures to standardise the data transmission formats used within the system for fund-to-fund and employer-to-fund transactions – specifically, the data associated with a rollover of a superannuation balance between funds or with a contribution made by employer to a superannuation fund on behalf of their employees.

On 28 June 2012 the *Superannuation Legislation Amendment (Stronger Super) Bill 2012* and the *Superannuation Supervisory Levy Imposition Amendment Bill 2012* received Royal Assent, thus establishing the legislative framework for the introduction of standardised transactions across the superannuation industry.

From 1 July 2014, medium and large employers (those with 20 or more employees) will begin to remit contributions data to funds in the new standardised contributions data format (the 'contributions data standard'). Small employers begin to do so from 1 July 2015. These timeframes are set out in primary legislation and are expected to deliver significant cost savings to employers.

However, under draft transitioning arrangements set out by the ATO in '*Schedule 1 – Transitional Arrangements*' of the *Superannuation Data and Payment Standards 2012*, funds will not be required to receive data in the standard format before 3 November 2014 unless they have nominated that they are system-ready to do so.

After this date, all funds must receive data in the standard format unless they have notified the ATO that they will be complying from a later date. The ATO will pass this information onto Australian Prudential Regulation Authority (APRA).

From 1 July 2015 funds and employers (or their agents) must be able to send and receive error messaging and member outcome messages in line with the standard.

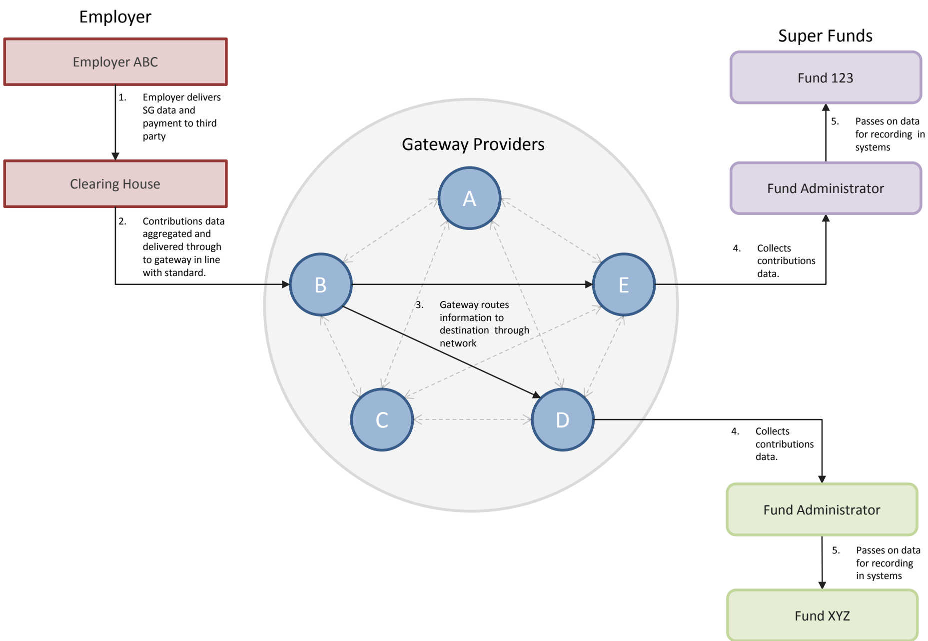
An APRA-regulated fund and an employer may mutually agree to use an alternative file format outside the standard. Generally these alternative formats are delivered through a fund's online portal through which contributions data is uploaded. These alternative portal arrangements can continue until 30 June 2017 before compliance with the standard is required.

For many employers it is well beyond their means to develop the infrastructure and expertise to transact directly with the gateway network in line with the requirements of the contributions data standard. Many will choose to engage a third party to perform this function.

The standardised data moves through the network via a series of interconnected gateways which are the network's central nodes. Most data is transmitted between employers and superannuation funds.

Generally, data flowing from an employer to a superannuation fund passes from the employer to the employer's gateway (possibly by way of a service provider like a payroll provider), from the employer's gateway to the fund's gateway (guided by content built into the messaging) and from the fund's gateway to the fund itself (possibly by way of a service provider like a fund administrator).

CONTRIBUTIONS DATA FLOW THROUGH GATEWAY NETWORK



PROBLEM

Employers need to deliver data to multiple destinations

Since 2005, most employees have been able to choose the fund into which their employer pays superannuation. This has required employers to make payments on a regular basis to a number of different superannuation funds. A large employer may have to make contributions to dozens of funds with each having a unique data format requirement.

To address this, the SuperStream reforms established a single data format for contributions transactions. From 1 July 2014 employers will begin to use a standardised format when delivering contributions data to funds. This will resolve the issue of multiple formats but does not address the need for employers to deliver data to multiple destinations.

The relatively high cost involved in transacting directly in the standard and engaging directly with a gateway means that some employers will engage a third party to package, transform and deliver their data in line with the contributions standard. This will require these employers to incur setup and engagement costs. The third party will usually be a clearing house or software provider who has established a direct relationship with a gateway. Some employers have already made a commercial decision to use these services for the management of their superannuation obligations.

The estimates presented in this document assume that such employers will not change processes regardless of the option chosen. Additionally, some funds already provide employers with a service analogous to pass-through, but they are not required to do so.[1]

To fully realise the benefits of SuperStream and to ensure that employers have a smooth transition into the SuperStream data standards, it is important that an employer can make superannuation contributions to all relevant funds through a single channel consistent with their preferences and without incurring excessive costs.

This requires that, regardless of which channel an employer chooses, some mechanism exists to ensure that data is routed correctly to the relevant superannuation fund and that the associated costs are not excessive. While services like this may already be in place in many cases (depending on the channel), it is not guaranteed that an employer's preferred channel will distribute all data to the appropriate superannuation fund.

OBJECTIVES OF GOVERNMENT ACTION

To remove need for employers to deliver data to multiple locations in multiple formats.

Since 2005, most employees have been able to choose the fund into which their employer

The goal of the SuperStream reform package is to simplify and streamline 'back office' processing within the superannuation system.

To achieve this, the Cooper review recommended the use of standardised forms, common data standards and mandatory electronic transactions, all of which will allow funds and employers to realise efficiency gains in administration.

One of the key efficiencies expected from the introduction of the SuperStream contributions data standard is that it will be simple for employers to comply with all superannuation guarantee obligations.

1.

[1] Employers currently using such a service are excluded from the analysis presented here as there is no reason to suppose that their behaviour will change.

One of the remaining irritants faced by employers is the need to maintain multiple processes for making contributions to funds. The Government objective is to remove this irritant.

OPTIONS TO ACHIEVE OBJECTIVE

One	*Superannuation funds are required to on-forward contributions all data they receive in respect of other funds to those other funds.*
Two	*No change.*
Three	*Government provides a clearing service to all employers through which superannuation contribution data is routed.*

Option One: Pass-through Regulation

The implementation of a pass-through regulation would ensure that if an employer-nominated (default) superannuation fund received contribution data from an employer in respect of any other fund (i.e. data relating to 'choice of fund' contributions), then the default fund would be required to forward (or pass through) the contributions data to the correct fund. The pass through obligation would not include the payment related to the data – each employer will still need to ensure payments are directed to the correct funds.

The pass-through regulation will allow employers to maintain their preferred channel and still meet their SuperStream obligations.

In practice operation of the SuperStream gateway network, along with existing clearing house services used by employers and superannuation funds, means that many funds are already, either directly or otherwise, offering a pass- through service to their employer members, often this service is provided for free. However, for the purposes of this document, employers who already engage the services of a clearing house are excluded.

Due to the willingness of the market to offer these solutions, it is expected that the number of employers that would be directly impacted by the implementation of a pass-through regulation will decrease by 5% per year over the first ten years as the market continues to develop and deliver better solutions over time.

The introduction of a pass-through regulation would give all employers certainty that they could make contributions to a single point through the channel of their choosing and still fulfil their obligations.

Option Two: Do Nothing

From 1 July 2014 employers will begin to use standardised data formats when making contributions to superannuation funds. However, in a 'do nothing' scenario not all employers would be able to deliver contributions data to a single location and be certain that they had fulfilled their superannuation obligations.

The benefits that accrue to employers as a result of the SuperStream data standards would be substantially limited and employers would face significant costs in directly complying with the contributions data standard internally if they didn't choose to engage a third party to facilitate these services for them.

Therefore it is assumed that, without the introduction of a pass-through regulation, employers without an existing solution would engage a clearing house or other similar service provider to ensure that their contributions data is routed to the correct location and is compliant with the SuperStream requirements.

Employers who engage via a portal solution under option one will need either to use the service no longer — thus potentially leaving some element of a fund's IT investment unrealised — or maintain a hybrid portal and third party provider solution. For simplicity it is assumed that all of these employers with choice obligations will stop using portals and engage a third party provider.

The number of employers who would be forced to transact in multiple channels or in a non-preferred channel would decrease over time as innovation delivers other solutions to market, however there is no indication that these services will be offered uniformly across all channels to employers.

Option Three: Single Government Hub

Government facilitated delivery of contributions data from employers to funds would remove the need for employers to develop in-house solutions or engage with software providers or clearing houses.

For the purposes of this document it is assumed that the most effective way to do this is by allowing all employers' access to the existing Small Business Superannuation Clearing House (SBSCH) as a destination for delivery of superannuation contributions data and payment.

Currently the SBSCH provides a single location to which employers with less than 20 employees can deliver their superannuation contributions data and payments. The SBSCH then forwards the data and payments to the correct fund on behalf of the employer.

There would be costs to government to scale up the existing SBSCH to accommodate this increased usage. Additional operational and maintenance costs would also be incurred. These have not been estimated nor are they accounted for in this document.

IMPACT ANALYSIS

Summary

The comparative fiscal impacts between the options for resolution and the baseline are outlined in the following table.

Impact Analysis: Options variance from baseline

#	Name	Costs	Savings	Total
1	Pass Through	-$3,191,696.44	$0.00	$3,191,696.44
2	'Do Nothing'	$0.00	$0.00	$0.00
3	Gov Hub	$0.00	-$7,843,816.85	-$7,843,816.85

Annualised over a 10 year period and compared to the baseline;

- ***Option One** results in an average cost reduction of approximately $3.2 million per year,*
- ***Option Two** (reflecting the status quo) has no fiscal impact, and*
- ***Option Three** results in an **average reduction in savings** of **$7.8 million per year**.*

The calculations and assumptions used to determine the costs and benefits of the baseline and options for resolution can be found in *Appendix A.*

Baseline Measurement

In order to effectively measure the impact of the options a baseline needs to be established from which the costs and benefits of the proposed options can be measured.

From 1 July 2014 employers will begin to use a standardised contribution data format which is expected to deliver significant cost savings to employers through the creation of unified streamlined data standards.

The following table illustrates the costs and benefits being realised from 1 July 2014 given the incoming contributions data standards. It is these from these costs and benefits from which the proposed regulatory options must be measured against.

The impact on industry is represented below.

Baseline: 10 year average annualised impacts

	Gateways	*Funds*	*Employers*	*Total*
#	-	-	*215,525*	
Costs	-	-	$4,694,393.84	$4,694,393.84
Savings	-	-	$37,117,715.50	$37,117,715.50
Total	-	-	$32,423,321.66	$32,423,321.66

As outlined above, it is estimated that the introduction of the contributions data standard will deliver an annual saving of $32.4 million per year (average over a ten year period).

It is variance from this annualised average of $32.4 million the options below must be measured.

Baseline: Costing Assumptions

For the purposes of determining the baseline it is assumed that all employers without existing solutions would seek a commercial provider post 1 July 2014 (or whenever they begin to transact in the contributions data standard) to facilitate a single point of delivery. This is likely to be a less costly alternative for an employer than dealing directly with multiple funds through the gateway network[2].

Given the majority of these commercial services are offered without charge it is assumed all funds offer these services to their default employers without an additional charge.

However, employers will incur a start-up cost associated with the time taken to register with a clearing house (or other similar provider). At a given per hour labour cost of $43.70 and an average time requirement of four hours, the one-time cost per employer is $174.80, totalling approximately $46.9 million across all impacted employers *[costing element 2.1.1]*.

Conversely, employers will also benefit from on-going savings associated with reduced transactional costs and back office savings *[costing elements 2.1.2 and 2.1.3]*.

1.

[2] In practice it is not expected that all employers would make such a decision, leading to a potentially fragmented and confused segment of the market developing which could lead to an increase in the number of disengaged and/or non-compliant employers.

Option One: Pass-through Regulation

The impact of Option One can be broken down into costs borne by funds and gateway operators and benefits and costs related to employers.

Gateways and funds will incur start-up costs relating to IT system builds, Gateways will also incur small transactional costs relating to the data they are required to route through the system.

Employers will accrue both transactional savings arising from not having to send money and data through multiple processes and back office labour costs savings.

The average annual impact on industry is outlined below.

Option One: 10 year average annualised impacts

	Gateways	*Funds*	*Employers*	*Total*
#	*8*	*15*	*215,525*	
Costs	$773,303.70	$687,093.70	-	$1,502,697.40
Savings	-	-	$37,117,715.50	$37,117,715.50
Total	$773,303.70	$687,093.70	$37,117,715.50	$35,615,018.10

Overall, as outlined above – in isolation – it is estimated that a pass-through regulation would deliver an average saving of $35.6 million per year (average over a ten year period).

However, when compared to the baseline saving of $32.4 million (as identified previously) **Option One** results in an **annual costs reduction of $3.2 million** (average over a 10 year period).

Option One: Costing Detail

Gateways and funds will incur a start-up cost related to the alteration or expansion of current systems to develop the capability to automatically pass contributions data through to the relevant fund.

It is assumed that the market can support 8 gateways long-term and that the initial start-up cost faced by each gateway is $16,000, equating to a total start-up cost of $128,000 across all gateways *[costing element 1.1.1]*.

Gateways by definition already have the capability to send and receive messages containing multiple data items to multiple destinations. This costing assumes that some additional set-up costs may be required to add message splitting, repackaging, tracking, reconciliation and trouble-shooting capability.

There are an estimated 30 APRA regulated funds that have an alternative file format, direct-channel solution (i.e. a portal solution); of these 30 it is assumed that 15 will need to develop the ability to on-forward contributions data through the gateway network.

The establishment of this transfer process to interface with a clearing house or other similar gateway connection is estimated to cost $12,000 per fund, totalling $180,000 industry wide *[costing element 1.1.1]*.

It is also assumed that both funds and gateways will incur an additional start-up cost relating to familiarisation and review of existing legal frameworks, processes and procedures, these costs have been estimates at an average of $5,000 per impacted entity *[costing element 1.1.2]*.

Beyond start-up costs, gateways and funds will also face on-going transactional costs associated with the transmission of data to a third party.

The estimated total number of employers who would benefit from a pass-through regulation is 268,558.   This is the estimated number of employers who have to make superannuation contributions to more than one fund, have over 19 employees (i.e. are excluded from the Government-provided SBSCH) and have not engaged a commercial clearing house service. Accounting for a 5 per cent annual reduction in affected employers assumed due to market innovation, the average number of employers impacted per year over a ten year period is 215,525. This figure is used to determine the average annualised per year impacts.

It is estimated that 60 per cent of employers will deliver contributions data to a fund through the gateway network via a clearing house or software solution.

Given the estimated employer populations and the presumed 60/40 split between gateways and fund portals in handling this additional traffic, the transactional costs borne by gateways is estimated at an industry wide cost of approximately $963,000 in year one. When annualised across a ten year period, accounting for the reduction in impacted employers as the market develops other solutions; this cost averages out at approximately $773,000 per year *[costing element 1.1.3]*.

Option Two: Do Nothing

The benchmark or 'do nothing' scenario in regards to pass-through would by definition not impose any regulatory costs.

As this option is reflective of the status quo the comparative net benefit or cost is nil by definition.

Option Three: Single Government Hub

The costs and benefits of this option are borne exclusively by employers who will incur both transactional and back office savings along with start-up costs.

The annual impact on employers is outlined below.

Option Three: Average annualised impacts

	Gateways	*Funds*	*Employers*	*Total*
#	-	-	*215,525*	
Costs	-	-	$4,694,393.84	$4,694,393.84
Savings	-	-	$29,273,898.65	$29,273,898.65
Total	-	-	$24,579,504.81	$24,579,504.81

Overall, as outlined above – in isolation – it is estimated that the delivery of a single government hub would deliver an average saving of $24.6 million per year (average over a ten year period).

When compared to the baseline saving of $32.4 million (as identified previously) **Option Three** results in an **annual increase in costs of $7.8 million** (average over a 10 year period).

Option Three: Costing Detail

Key to this option is the assumption that the transactional cost saving accruing to employers will be lower here than under the baseline because:

- A single government run provider is likely to offer a less efficient lower level of service than the wider industry would; and
- The SBSCH does not allow for new employee registration, so the back office savings accruing to employers would be reduced.

The costs incurred by employer' in registering with the SBSCH are assumed to be equivalent to what was estimated in Option Two *[costing element 3.1.1]*.

As outlined above, transactional cost savings are going to be lower than the baseline, equating to $9.97 per employer or approximately 2.7 million across all employers in year one and falling to an average annualised ten year value of approximately 2.1 million per year *[costing element 3.1.2]*.

The back office cost savings that would accrue to employers are also likely to be lower here than under the baseline due to the reduced number of services available via the SBSCH compared to other commercial clearing house providers.

Under this option, back office savings equate to $125.86 per employer or approximately $33.8 million across all employers in year one, this figure falls to an average of $27.1 million across ten years *[costing element 3.1.3]*.

General SuperStream Benefits

The superannuation industry will accrue significant benefits and savings from the successful implementation of SuperStream.

Estimates indicate that the successful delivery of SuperStream will allow the superannuation industry to realise savings of $1 billion annually. Other estimates suggest that the SuperStream reforms could reduce the administration costs of superannuation funds by 25 per cent. It is expected that a proportion of these savings will be passed on to fund members in the form of reduced fees as superannuation funds seek to maximise all possible competitive advantages.

Additionally, it is estimated that fully implemented, the reforms could lower fees incurred by fund members by 40 per cent, potentially lifting the retirement savings of a 30 year old on average full-time wages by $40,000 or 7 per cent over their working life. This is equivalent to a further 1 percentage point increase in superannuation guarantee contributions.

Economy wide, this is projected to add $60 billion to national savings by 2035, reducing pressure on the federal budget and open up expanded domestic capital markets lessening Australia's reliance on foreign savings and the associated exposures to exchange rate fluctuations.

These benefits are not accounted for here as they will in large part be delivered by other SuperStream measures already in place. They are simply included to give an indication of the scale of benefit arising from SuperStream.

REGULATORY COSTING ANALYSIS

The following tables outline the regulatory cost analysis for each of the three options, as outlined above, given Option Two is the baseline scenario the impacts of the other options must be measured in terms of variance from the baseline savings.

Option One: Regulatory Burden and Cost Offset Estimate Table

Average Annual Compliance Costs (from Business as usual)				
Costs ($m)	**Business**	**Community Organisations**	**Individuals**	**Total Cost**
Total by Sector	-$3,191,696.44,	$0	$0	-$3,191,696.44
Cost offset ($m)	**Business**	**Community Organisations**	**Individuals**	**Total by Source**
Agency	$0	$0	$0	$0
Within portfolio	$0	$0	$0	$

Average Annual Compliance Costs (from Business as usual)				
Outside portfolio	$0	$0	$0	$
Total by Sector	$0	$0	$0	$
Proposal is cost neutral? ☑ yes □ no				
Proposal is deregulatory □ yes ☑ no				
Balance of cost offset -$3,191,696.44				

As identified above, the implementation of a pass through would, over the status quo deliver an annual saving of approximately $3.2 million per year (average over a ten year period).

Option Two: Regulatory Burden and Cost Offset Estimate Table

By definition the business as usual option has no regulatory cost associated with it. The costs and benefits identified as the baseline are consequential impacts of other legislative requirements already in place.

Option Three: Regulatory Burden and Cost Offset Estimate Table

Average Annual Compliance Costs (from Business as usual)				
Costs ($m)	**Business**	**Community Organisations**	**Individuals**	**Total Cost**
Total by Sector	$0	$0	$0	$0
Cost offset ($m)	**Business**	**Community Organisations**	**Individuals**	**Total by Source**
Agency	-$7,843,816.85	$0	$0	-$7,843,816.85
Within portfolio	$0	$0	$0	$
Outside portfolio	$0	$0	$0	$
Total by Sector	$0	$0	$0	$
Proposal is cost neutral? ☑ yes □ no				
Proposal is deregulatory □ yes ☑ no				
Balance of cost offsets -$7,843,816.85				

As identified above, Option Three results in an annual cost of approximately $7.84 million per year (average over a ten year period).

CONSULTATION

Significant consultation has been undertaken regarding the implementation of a pass-through regulation as proposed in Option One.

This has been undertaken by the ATO and Treasury with superannuation funds, fund administrators, industry associations, software providers and employer representatives.

The majority of stakeholders support the introduction of a pass-through regulation or at least accept that it is needed to ensure efficiencies in the system are fully realised.

A number of members of industry including funds, clearing houses and software providers have indicated that they either currently offer a pass-through service to employers or plan to introduce one before the contributions data standards are implemented.

Both the ATO and APRA have been consulted in their roles as regulators of the superannuation industry. The ATO considers a pass-through regulation as essential in order for it to deliver upon its commitments regarding the SuperStream measures. APRA agrees that there is a need for a pass-through regulation.

The primary opposition to a pass-through regulation has been based on the view that the regulation is not necessary because, if operating as designed, the structure of the SuperStream gateway network will ensure that data always reaches its correct destination. This view does not account for contributions data passed outside of the network – i.e. data delivered to funds via a direct portal interface.

Preliminary versions of drafting instructions for a pass-through regulation have been shared with the ATO and APRA for comment.

Should the preferred option be adopted, public consultation on an exposure draft regulation will be undertaken.

CONCLUSION AND RECOMMENDED OPTION

Regulating a pass through (option one) is recommended

Option One: Pass-through regulation *(Recommended)* – Regulating a pass-through obligation would ensure that an employer's default fund of on-forwards data it receives in respect of choice of fund contributions. This will provide certainty and stability to employers with superannuation obligations.

The one-time start-up costs borne by funds and gateways are substantially outweighed by the significant benefits that accrue to employers (and ultimately to funds).

This will allow employers to deliver contributions data to funds through a single channel that best suits their business needs. It does not prescribe or limit the way in which employers choose to meet their obligations.

Option Two: Do nothing – This option is not recommended as it limits choice and effectively prescribes how employers can deliver contributions data to funds if they wish to realise productivity benefits that should be uniformly delivered across all employers.

This option may force some employers to engage with a process that does not best align with their business needs. It could also be perceived – correctly or not – to provide a commercial advantage to one type of service provider or segment of industry over another.

This option fails to remove one of the key irritants in the superannuation system faced by employers, the need to deliver superannuation contributions data to multiple destinations.

Option Three: Single Government Hub – The development of a central clearing point for superannuation contributions data within the Australian Government would allow for some of the benefits from the SuperStream measures to be realised, but would do so at a significant cost to government.

Beyond this, the impact on the overall efficiency of the network of inserting a government presence has not been considered. Such an approach does not align with the intent of the SuperStream measures.

This option is an overly complex solution to a relatively simple problem.

This option is not recommended.

IMPLEMENTATION AND REVIEW

Due to the implementation plan as outlined by the ATO in *Schedule 1 – Transitional Arrangements'* to the *Superannuation Data and Payment Standards 2012* it is proposed that the pass-through regulation take effect from 1 July 2015 in order to cause minimal disruption to industry.

Prior to this, a draft regulation would be subject to a period of consultation with industry to allow implementation issues to be identified and mitigated (where possible) with sufficient lead time before the regulation commences.

Communication regarding the regulation would be undertaken by the ATO. Issues during implementation will be resolved via existing ATO consultative forums.

A post implementation review outlining the impact of the regulation would be undertaken if there were systemic issues with regards to the routing of contributions data either within or outside of the gateway network infrastructure.

APPENDIX A: Supporting assumptions and estimates

The spreadsheet attached below provides more detailed information on the assumptions and calculations used to determine the costs and benefits for each of the three options outlined in this document.

Pass Through RIS -
Assumptions and Esti

APPENDIX B: Business Cost Calculator file

The file below contains the data that was put into the business cost calculator to determine the figures included in this RIS.

140320 RIS - Pass
Through v7 - 10 Year