

Public file

Mr Baethan Mullen
Acting General Manager, Adjudication
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

22 September 2016

Dear Mr Mullen

Applications for Authorisation A91548 and A91549 by ASFA - Response to Compliance Test Pty Ltd Submission

We act for ASFA in respect of the applications noted above and we are instructed to respond on ASFA's behalf, as follows, to the submission lodged by Compliance Test Pty Ltd dated 25 August 2016 (**Submission**).

The Submission raises a number of concerns, such as:

- The Cooper Review's expectations have not been realised due to poor technical and regulatory decisions made by the ATO;
- The regulations made by the ATO have effectively prohibited direct transaction between employers and funds;
- The technical standards chosen for SuperStream are unjustifiably complex and act as a significant barrier to market entry;
- The technical standards chosen by the ABR and the ATO are damaging to the public interest due to being based on niche technologies rarely used by the private sector;
- The standards chosen by the ATO for e-invoicing are un-necessarily complex and will likely create barriers to market entry and competition;
- The STN is working effectively as a solution to the technical complexity imposed by the SuperStream legislation, although there are high barriers to market entry;
- Semi-regulatory decisions like BIP4 reduce market competition by effectively forcing participants to transact via gateway operator intermediaries.

ASFA notes that the concerns raised by the Submission are specifically related to the design of the SuperStream system and the regulations and technical standards.

ASFA submits that these concerns are not relevant to either the proposed role of the Gateway Network Governance Body (**GNGB**) or the handover of governance from the ATO to the GNGB, which are the core elements of the proposed conduct for which authorisation is sought.

ASFA understand there was widespread consultation undertaken by the ATO regarding the design of SuperStream before it was implemented and that decisions were made on the design, based on the long term security and integrity of the system, which must handle a high volume of messages under secure conditions.

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The GNGB ACCC authorisation applications concern only the transfer of the governance of the STN from the ATO to the GNGB and do not involve a change in the design of the STN nor the mechanisms for industry participants to exchange messages via the STN.

In addition, the concern raised regarding the standards chosen for e-invoicing are unrelated to the governance of the STN and the Authorisation Applications.

We are instructed that ASFA does not believe it can provide further comment on those matters, and it would not be appropriate for ASFA (on behalf of the GNGB) to respond further to matters raised concerning the design of the STN or the approach taken in the SuperStream legislation and resulting standards, which were developed by other parties and agencies.

There are no claims for confidentiality in respect of this submission response and there is no objection to a copy being placed on the public register.

ASFA looks forward to hearing from you in due course and would be happy to meet with you to discuss any aspects of the submission.

Yours sincerely



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