



Presence of IT and ClickSuper Form Strategic Alliance as Federal Government rolls out SuperStream initiative

Employers with more than twenty employees need to get on the path to migration sooner rather than later in order to achieve compliance by 3 November 2014

Presence of IT, a specialist ERP solutions consultancy and ClickSuper, a superannuation e-commerce provider, today announced a strategic alliance to assist employers with the Federal Government's SuperStream initiative. From November, SuperStream introduces a new set of standards to streamline the way employers communicate with superfunds, including self-managed super funds (SMSF).

Being implemented by the Australian Tax Office and the Superannuation Industry, SuperStream will move the Australian superannuation system to a purely electronic process. Superannuation payments and contribution data must be transferred from employers to superfunds electronically using a common set of standards (XBRL ebMS 3.0/AS4[i]). Employers with less than twenty employees have until July 2015 to comply.

Robin Beauchamp, Chief Executive Officer, ClickSuper said: "Large employers that haven't yet started the process of moving to the new standards will need to start now if they are to achieve compliance by November and will face financial penalties if they fail to comply."

The alliance between Presence of IT and ClickSuper will enable employers to comply with the new set of standards by offering full automation and streamlining the communication of data and payments between employers and superfunds.

ClickSuper is a founding member of the Superannuation Transaction Network Working Group established to guide the implementation of SuperStream Gateways and is one of only seven active SuperStream Gateways.

"We have been involved in driving the SuperStream reforms both as a gateway provider and a clearing house. Our processes and systems have been largely mirrored by SuperStream to optimise efficiency in the Australian Superannuation Industry," Mr Beauchamp said.

Shaun Flannery, Chief Technical Officer, Presence of IT said: "There are two issues that large ERP vendors may currently find difficult to support, and that is the transformation of the data file to XBRL, and the packaging and sending of transactions using the secure protocol.

"This is where Presence of IT and ClickSuper can help. By working with employers running SAP or Oracle ERP systems, we can help them build a roadmap to compliance across both financial and payroll applications. The process can be fully automated, thereby eliminating the need to re-enter employee data, or jump into a separate payment mechanism for superannuation contributions.

"Having the ability to consolidate ERP data from the financial and payroll applications electronically means that the data and payments will be sent to the superfund on the same day, and the transactions made will always match," Mr Flannery said.

SuperStream mandates that contribution data be sent electronically to the superfund and the payment sent electronically through the banking system. The data and payment are linked by a payment reference number which enables reconciliation by the receiving superfund.

"I think there is a major paradigm shift happening in an industry which has clung onto outdated modes of processing," Mr Beauchamp said.

"Large employers have had to deal with a number of superfunds, each with their own requirements for processing employee data and payments. This resulted in poor data quality, processing delays, manual and disparate processes, as well as a lack of transparency and misalignment of the contribution and pay cycle. "

[i]eXtensible Business Reporting Language (XBRL) is a language for the electronic communication of business information, providing major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using business information. ebMS is an e-business messaging services standard for the secure, payload-agnostic exchange of business to business documents using web services. AS4 is an encrypted and secure file messaging transport protocol

EDITORS NOTES:

SuperStream is a package of measures designed to bring the back office of superannuation into the 21st century. Its key components are the increased use of technology, uniform data standards, use of the tax file number as a key identifier and the straight through processing of superannuation transactions (Cooper Review, 2010). According to the report:

- 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
- Overall superannuation costs more than \$3.5 billion:

- o Member support - \$1 billion
- o Contribution management - \$1.25 billion
- o Reporting - \$250 million
- o Benefit payment services - \$1 billion

Other facts:

- Australia's super funds were valued at \$1.8 trillion at the end of December, with self-managed super funds (SMSF) accounting for \$543 billion. The sector is under pressure as baby boomers retire and cash in their savings.
- It's estimated the Australian Superannuation industry processes more than 100 million transactions per annum, costing over \$3.5 billion to process.
- More than 64,000 new investors joined self-managed super funds (SMSFs) last financial year, taking ultimate responsibility for their retirement. It's also estimated that 30% to 40% of SMS funds are still using spreadsheets.

About Presence of IT

Presence of IT is a leading consultancy and provider of the world's foremost Human Capital Management solutions. We provide thought leadership, strategy, process improvement, software selection advice, implementation, hosting and operational support services to many of the world's largest private and public sector organisations. Our strength is the excellence of our people and our focus is on our clients. This focus has seen us evolve into a global organisation to better support our clients in their respective markets, the world over.

More information at: www.presenceofit.com.au.

About ClickSuper

ClickSuper is a complete e-commerce solution that simplifies employer-to-fund processing and fund-to-fund processing effectively solving your administrative headache while ensuring you comply with legislative obligations. ClickSuper harnesses the latest technology to provide a fully automated online system that delivers a faster, more efficient service to fund members, employers and payroll providers while creating valuable cost savings for your organisation.

More information at: <http://www.clicksuper.net.au/superstream/>

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