

## Media Release

### SuperChoice ups the ante on superannuation efficiency

#### Funds embrace new technology to increase straight through contribution processing efficiency and realise dramatic cost savings

1<sup>st</sup> September 2009

**Sydney:** SuperChoice, Australia's leading superannuation exchange, announced today the latest enhancement to its superannuation clearinghouse service aimed at fully automating the flow of superannuation contributions to choice-of-fund receivers.

Available to all superannuation funds from today, the Super Data Exchange (SDX) allows funds to dramatically reduce costs associated with processing superannuation contributions by providing straight-through processing (STP) capabilities and eliminating costly rectification of incorrect contributions. The SDX technology has been in development for over a year and is already in active use by some of Australia's largest superannuation providers to streamline their superannuation choice transactions – including AAS, AMP, IBM/Russell, ING, and QSuper.

“The goal of the SDX is to make straight through processing a reality for all funds and to eliminate the high cost that errors have on funds and employers,” said Peter Philip, Chief Executive of SuperChoice.

“Funds can't allocate a member's contribution if received with missing or incorrect member or employer details, creating costly re-work and rejections,” said Mr Philip.

The SDX gives funds the ability to receive full member, employer and contribution information and to initiate corrections if necessary that avoid costly reconciliation and error rectification.

It allows participating funds to provide online validation information, further enhancing the already market-leading online validation capabilities of the SuperChoice clearinghouse, stopping errors before they happen and giving employers a better contribution processing experience.

“Other clearinghouse options put the onus on employers to get the contribution right without providing the extensive validation that SuperChoice does,” said Mr Philip.

“Lack of upfront validation is responsible for incorrect contribution data, duplicate accounts and is the major cause behind the nearly \$17 billion of investor funds sitting in unallocated accounts.” added Mr Philip.

Some existing clearinghouse facilities provide information to the receiving fund, but this information fails to be validated at the point of entry and results in missing or incorrect information – particularly with choice. Exceptions require funds to revert to manual verification steps and can cost 500-1000 times the cost of a validated electronic transaction.

Mr Philip said, “Innovations such as SDX will be crucial in driving cost savings in our industry towards the Government’s stated goal of reducing fund costs to 1%.”

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**Notes to the editor:**

SuperChoice has grown to become Australia’s leading superannuation exchange and superannuation contribution service. The service electronically handles nearly 20 million default and choice contributions made by over 50,000 employers on behalf of 1.75 million employees annually. This represents around 20% of all employer superannuation contributions made Australia-wide.

SuperChoice provides a white-labelled, web-based software for many leading superannuation providers such as AMP, ANZ, ASGARD Wealth Solutions, AXA, Equity Trustees, IBM | Russell, ING, IOOF, Future Plus, MERCER and AAS-administered funds such as REST and CARE Super, that allows employers to make online super contributions.

SuperChoice’s vision is to completely automate superannuation contribution transaction and information processing in order to deliver over \$1 billion per annum of industry cost savings and enhanced customer service.