case study:
SuperStream and beyond

VicSuper was looking for the best possible means to meet its SuperStream compliance obligations. Bravura Solutions' Babel system stood out in the marketplace as a fully automated, secure and compliant messaging solution that would maximise the fund's straight-through processing for SuperStream and beyond.

As a profit-to-member superannuation fund with more than 240,000 members and 21,000 participating employers, VicSuper is committed to employing technology to achieve efficiencies and keeping costs down.

A certain synergy

The fund welcomed the Federal Government's SuperStream legislation, which mandated the use of ebMS technology, and the introduction of new data standards for processing rollovers and accepting contributions. The essence of the initiative was to remove substantial manual processing, maximise straight-through processing and improve the quality of member information that funds received from employers. In turn, this would reduce costs associated with rework arising from incomplete or incorrect information.

Clare Tam, Executive Manager Member & Employer Services & Chief Information Officer said: "The SuperStream legislation coincided with a push by VicSuper to comprehensively modernise our core administration system and customer portals, to deliver our members and employers the best possible experiences in the digital age, in the most cost effective way.

"This created a specific opportunity. Our fund viewed SuperStream compliance as highly complementary to our broader IT transformation program, so we set about looking for a suitable market solution."

Key requirements

On surveying the market, VicSuper found that different SuperStream messaging solutions offered varying degrees of automation. Many automated only part of the process, leaving bespoke manual processes and responses in place. Many were limited to satisfying the need to listen and receive incoming messages, but fell short of ensuring the transactions was delivered and further processed by the fund's administration system.

"For VicSuper, a partial approach to SuperStream compliance was not a viable option," said Mrs Tam. "Due to the size of our fund, we typically receive a high volume of rollover and contribution messages. With continued growth of the fund, this volume was only ever going to increase. It was clear to VicSuper that our ongoing ability to cost effectively handle such a high volume of messages and reduce manual handling, necessitated the adoption of an automated and integrated messaging solution that was reliable and secure."

Consistent with the fund's commitment to harnessing the best available technology for the benefit of members, VicSuper looked to find a messaging system that would maximise straight-through processing.

"Bravura's Babel messaging system stood out as a compliant, secure, electronic means of transmission for a high volume of SuperStream messages, including: fund rollovers, employer contributions, new member registrations, SuperTICK, the Fund Validation Service and error messaging," said Mrs Tam. "Babel seamlessly integrates with the core registry system which, in our case, happened to be Bravura's solution, Sonata.

"From our perspective, Babel's appeal lay in its ability to deliver a single, end-to-end SuperStream solution."

Smooth implementation

VicSuper's SuperStream/Babel implementation ran smoothly, unfolding alongside the fund's broader system modernisation project. It involved readiness for ebMS technology, translation and mapping to meet the new data standards, process automation and integration with third parties including the Westpac Gateway service, the Australian Tax Office (ATO), other funds and employers, as well as the formal certification process mandated by the ATO.

With the help of Babel, VicSuper has comfortably and successfully met its SuperStream obligations since July 2013 onwards, in line with ATO deadlines.

"Babel provided us with a single, consistent messaging solution that we could depend on," said Mrs Tam. "The system was stable, reliable and performed according to all expectations."

Immediate benefits

VicSuper believes its decision to invest in Babel has been more than justified by the significant, immediate benefits the messaging solution has delivered to the fund. These benefits include:

> **SuperStream compliance** – the ability to produce an audit trail for sent and received messages, allowing the fund to efficiently and reliably meet its SuperStream compliance obligations

> **High volume messages** – the capacity to handle a large number of rollovers and contributions

> **Single automated solution** – the ability to consolidate multiple channels and various transactional formats into a single technology standard and replace bespoke solutions to rollovers and contributions within a single, comprehensive automated system. This has afforded significant savings given that legacy solutions no longer need to be maintained and manual processes have been further reduced

> **Native connectivity** – the ability for the fund to connect seamlessly with the gateway service and send messages using the new data standards

> **Reduced risk** – the means to eliminate errors associated with manual handling, particularly for high volume contributions processing. This in turn has improved data quality and the integrity of the entire SuperStream transaction process

> **Greater efficiency** – the ability to reduce message processing times through message life cycle automation

> **More effective resourcing** – the opportunity to redeploy staff previously engaged in manual processing to more valuable tasks

> **Improved member experience** – enables a fully automated and efficient account consolidation service.

Beyond SuperStream

In addition to the immediate benefits Babel could deliver the fund, VicSuper – as always – had an eye on the future. The fund was keenly aware that the Federal Government's use of ebMS technology was growing.

"The ATO roadmap clearly signals that beyond the initial implementation of SuperStream, there will be further enabling services and transactions emerging that will require secure electronic data exchange between funds, employers, the ATO and gateways," said Mrs Tam.

"Therefore, Babel not only positions VicSuper to maximise straight through processing for SuperStream today, but also cater for the additional enabling services that form part of the ATO roadmap.

"In the years to come, VicSuper envisages that there will be numerous opportunities to leverage Babel's secure message handling capabilities for government and non-government data exchange."

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