

Australian Prudential Regulation Authority (APRA)
GPO Box 9836
Sydney NSW

Sent via [electronic lodgement](#)

23 April 2018

Consultation re new Data Collection Solution - Mercer Submission

Thank you for the opportunity to provide comment on APRA's plans for replacing the Direct to APRA (D2A) data collection tool.

The key things Mercer is seeking in the design and implementation process for the new data collection system are:

1. Ongoing design consultation to enable industry to validate and provide feedback on the selected design before a final decision is made and the tender process begins
2. The ability to use Excel data, which is critical for efficiency and flexibility
3. A minimum implementation period of 12 months from when the final design is "locked off"
4. Appropriate change management by APRA, including testing and transition support.

Our responses to the specific questions raised in the "Key items for stakeholder consideration" document are set out in the attachment.

Who is Mercer?

Mercer is one of the world's leading firms for superannuation, investments, health and human resources consulting and products. Across the Pacific, leading organisations look to Mercer for global insights, thought leadership and product innovation to help transform and grow their businesses. Supported by our global team of 22,000, we help our clients challenge conventional thinking to create solutions that drive business results and make a difference in the lives of millions of people every day.

Mercer Australia provides customised administration, technology and total benefits outsourcing solutions to a large number of employer clients and superannuation funds (including industry funds, master trusts and employer sponsored superannuation funds). We have over \$150 billion in funds under administration locally and provide services to over 2.4 million superannuation members and 15,000 private clients. Our own master trust in Australia, the Mercer Super Trust, has around 230 participating employers, 224,000 members and more than \$24 billion in assets under management.

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Please contact me on 03 9623 5061 or by email to paul.shallue@mercer.com if you would like to discuss this submission.

Yours sincerely



Paul Shallue
Manger, Research and Policy

ATTACHMENT: MERCER'S RESPONSE TO CONSULTATION QUESTIONS

Benefits for stakeholders

1. What design features and functions in the new system would benefit your organisation?

- From a technology perspective our key requirement would be the ability to upload Text / CSV / Excel files. We note that switching to an XBRL upload format would be a very large investment in terms of development costs, compared to either generating a flat file from Excel or just uploading the Excel spreadsheet directly.
- Improvement in system speed to lodge and access files
- Use of standard templates
- Usability is simple, information is clearly set out, easy for new users
- Flexibility of updating, for example:
 - multiple users able to work on the one form at the one time
 - ability to submit individual forms rather than 'packs' of forms
 - part forms can be lodged as completed
- Improved validation and error messages, which are clear and easily updated, and available for use in a test load allowing review prior to submission
- Ease of use to update/resubmit forms
- Improve visibility of changes by highlighting of new or updated forms and moving of 'retired' forms to a separate folder
- Enable data extracts in different formats (including PDF and Excel) for viewing before final submission
- Access to historical data
- Proper change management process for any updates

2. How can APRA best ensure these benefits are delivered?

- Ongoing industry consultation and collaboration during the design specification phase.
- Include additional round/s of industry review and response on design specifications developed from the initial consultations prior to APRA tendering for a solution.
- Deliver a "final" locked down solution/design with appropriate timeframes to implement the final design (minimum 12 months from final design).

- Provide guidance on potential future changes and expected timeframes

Principles for solution design

3. Would you change any of the design principles? Do any of the design principles raise key questions for your organisation?

- The need for the system to be able to cater for future changes is referred to explicitly in the “Future Proof” principle and implicitly in the “Meet Reporting Requirements” principles. We suggest an additional guiding principle be “Controlled Change”, to note that future changes will be implemented utilising a change management structure, providing appropriate implementation timeframes, supported testing and on-boarding processes.

4. Which use case(s) best reflect your organisation’s operations?

- We utilise D2A in multiple ways depending on the size and complexity of the superannuation fund, including:
 - Structured copy and paste - used for the majority of reporting
 - XBRL import – used in limited situations
 - Manual data entry in – used for small funds or where copy/paste is not available.

5. What technical or organisational factors led you to adopt that use case?

- The combination of a variety of data from multiple sources that all needs to be brought together and combined to enable the reports to be completed
- Efficiency in terms of both cost and time to implement
- The likelihood of ongoing changes
- Limited use of XBRL options reflects the time and development costs to implement, especially where there is potential for ongoing changes without structured Change Management and adequate time to implement.

6. How challenging would your organisation find it to switch from D2A attribute codes to SBR?

- Very challenging and costly

- Reports extracting a lot of the required super member information from our registry systems would all need to be remapped; including the existing D2A codes within the schematron as a referenceable value would greatly assist if this remapping is required for the new solution.
- Staff are familiar with the existing D2A attribute codes; a change to SBR would require a significant additional investment in training.

7. Would your organisation consider adopting a machine to machine upload facility?

- Yes, if the facility meets appropriate business requirements, such as providing a confirmation of upload.

Engagement plans and implementation path

8. What are the most likely implementation challenges for your organisation?

- Resourcing in the technology and finance teams to support changes

9. What information and support are required (and by when) for your organisation to commence transition from late 2019?

- A locked off final design is required a minimum of 12 months prior to transition date to provide build and implementation lead times needed
- Testing environment and support
- Structured Change Management and Onboarding process
- Go Live Transition support through first round of reporting

10. What are the other industry changes which will directly impact your organisation's ability to address changes in how APRA collects data?

- The ATO SuperStream changes (MAAS/MATS) already in progress are utilising many development and analyst resources across the industry
- There is also the potential for the (as yet unknown) ASIC data collection requirements to absorb more resources.

11. How would your organisation like to be engaged now and in the subsequent design and implementation stages?

- Ongoing consultation and involvement in face to face or phone sessions.

12. Where in your organisation do you believe the most significant change impacts will be felt from the replacement of D2A?

- Project Teams to implement required changes – consisting of resourcing across: testing; process & procedure drafting; training and technology teams
- Financial Operations ongoing.

Stakeholder costs

13. How could APRA work with industry to lessen the burden of moving to the new system?

- Ongoing collaboration on design to ensure best solution outcomes, removing and minimizing current “pain” points
- Ensure change management protocols are followed throughout the design and implementation phases, including thorough test/review phase followed by a supported onboarding process for this change and also for any future change
- Provide confirmed approach for any future changes

14. What are the current annual costs for your organisation in reporting data through D2A?

- Not available at this point

15. What investment has your organisation made in integrating D2A with internal reporting systems?

- We have only progressed partial integration as data is required from multiple parties to complete APRA forms.

16. To reduce your implementation costs, would you consider partnering with a third-party provider that is servicing many entities in the industry or are you more likely to develop a bespoke solution in house?

- It is too early to confirm our direction as both of these scenarios are possible. We will not be able to determine our direction until the final solution and requirements are known.