

# ASFA Equifax Data Benchmark

June 2017



**The Association of Superannuation Funds of Australia Limited (ASFA)**

Level 11, 77 Castlereagh Street, Sydney NSW 2000

PO Box 1485, Sydney NSW 2001

**T** +61 2 9264 9300  
1800 812 798 (outside Sydney)

**F** 1300 926 484

**W** [www.superannuation.asn.au](http://www.superannuation.asn.au)

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**For more information**

To find out more about the ASFA Equifax Data Benchmark, including how your fund can participate, please contact:

**Steve Shoreson**

Head of Data Integrity and Migrations, Equifax

**T** +61 3 8629 1737

**M** +61 475 832 198

**E** [Steven.Shoreson@equifax.com](mailto:Steven.Shoreson@equifax.com)

## 1. Key points

Equifax acquired Veda in 2016. The Benchmark has been renamed from the ASFA-Veda Data Benchmark, to the ASFA Equifax Data Benchmark.

The 14<sup>th</sup> edition of the ASFA Equifax Data Benchmark analyses 2.67 million active members across 19 funds, comprising nine funds with less than 90,000 members and 10 funds with over 90,000 members.

<p>At 95.1%, the ASFA Equifax Data Benchmark indicates that 4.9% of member records have important core data that is missing or incorrect</p> <p>The Benchmark score has improved from 92.8% in the December 2016 edition</p>	<p>Measurement is leading to improvement</p> <p>Almost every repeat data audit delivers better data quality than the prior one. The Benchmark has shown a gradual improvement in data quality over the past five years</p>
<p>Third-party administered (TPA) funds at 95.6% are slightly better than the self-administered funds Benchmark at 94.2%</p>	<p>The 4.9% represents 143,000 member records with issues relating to important core data that is missing or incorrect</p>
<p>The data integrity of small-medium funds at 98.5% is better than that of large* funds at 94.6%</p> <p><i>*Over 90,000 members</i></p>	<p>Duplicate member records can be costly</p> <p>The number of possible duplicate member records is statistically significant at approx 2.3%. There is significant variance between funds</p>

The ASFA Equifax Data Benchmark continues to indicate that funds need to do more to improve the quality and integrity of their member data

Your fund should participate

## 2. June 2017 ASFA Equifax Data Benchmark

The Benchmark was established in 2010 to track industry improvements and highlight the issue of data integrity across a number of areas. Through the Benchmark, ASFA and Equifax have taken a leadership role with regard to data quality and building awareness of the need for improvement in this area for a number of years.

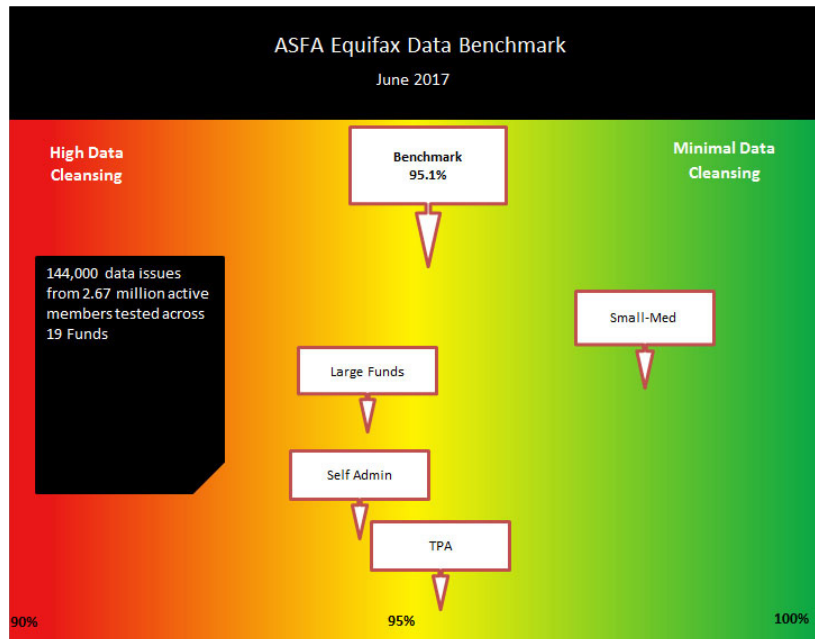
The ASFA Equifax Data Benchmark is based on data audits of participating funds over a rolling 12-month period. The results continue to indicate that funds need to do significantly more to improve the quality and integrity of their member data.

### Core member details

The 'core member details' Benchmark encompasses the SuperStream non-transactional data fields (full name, date of birth, tax file number (TFN) and current address) and other member-specific non-transactional fields (date joined fund, beneficiary and gender) that APRA has linked to the prudential standards.

All member fields specified as required from employers by the ATO are tested.

Figure 1: Results of 'core member details' Benchmark – June 2017



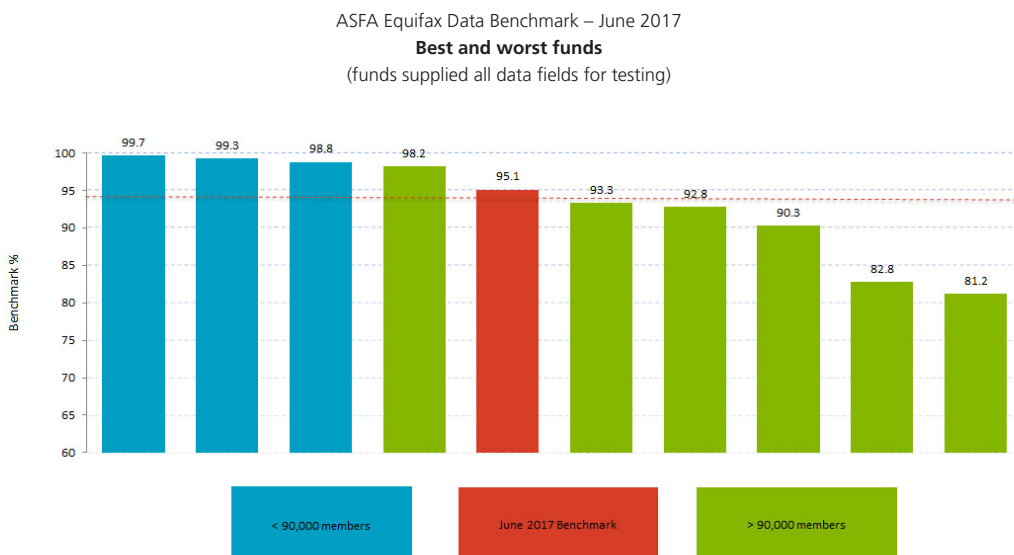
### The gap between the best and worst funds (as at June 2017)

Of the key static data fields, most funds have issues with TFNs, addresses and member beneficiary data fields. The following graph provides a breakdown of the actual clean member data by each data field tested.

Figure 2: Best and worst funds as at June 2017

The ASFA Equifax Data Benchmark is an anonymous Benchmark and funds are only mentioned with their permission. The Top 10 Funds are a mixture of small, medium and large funds.

As can be seen the funds with the better overall data quality will have significantly less data issues to cleanse.

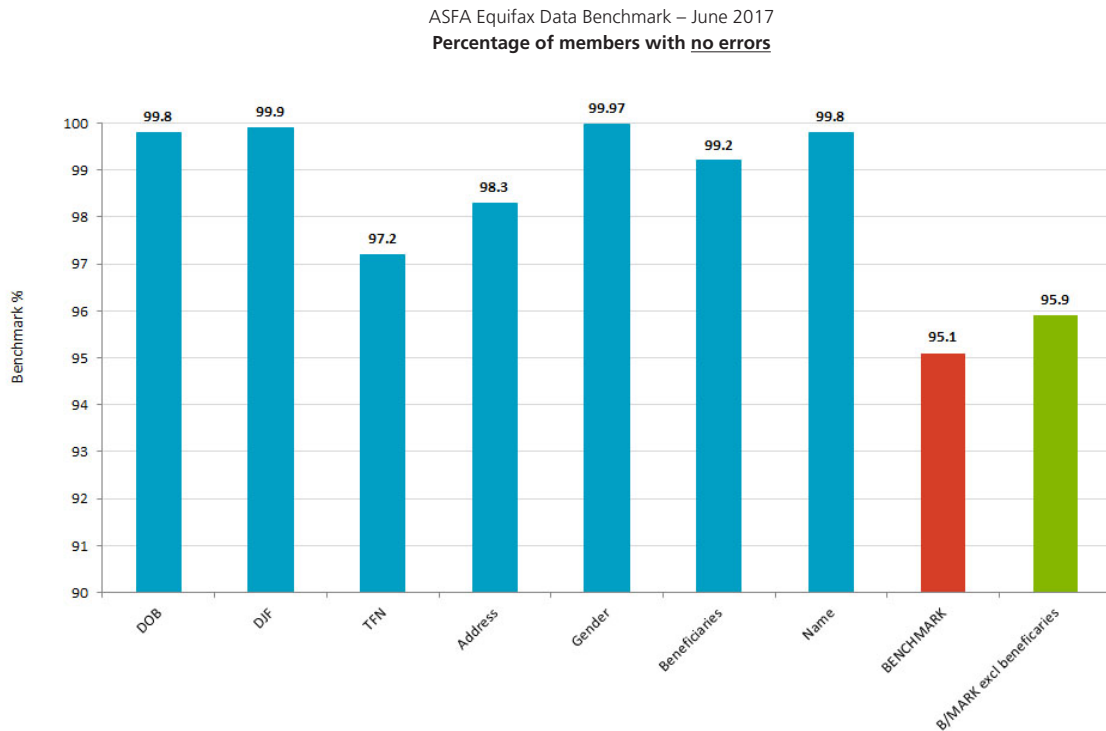


## Results of specific member detail fields audited

Of the key static data fields, most funds have issues with TFNs, addresses and member beneficiary data fields. The following graph provides a breakdown of the actual clean members by each data field tested.

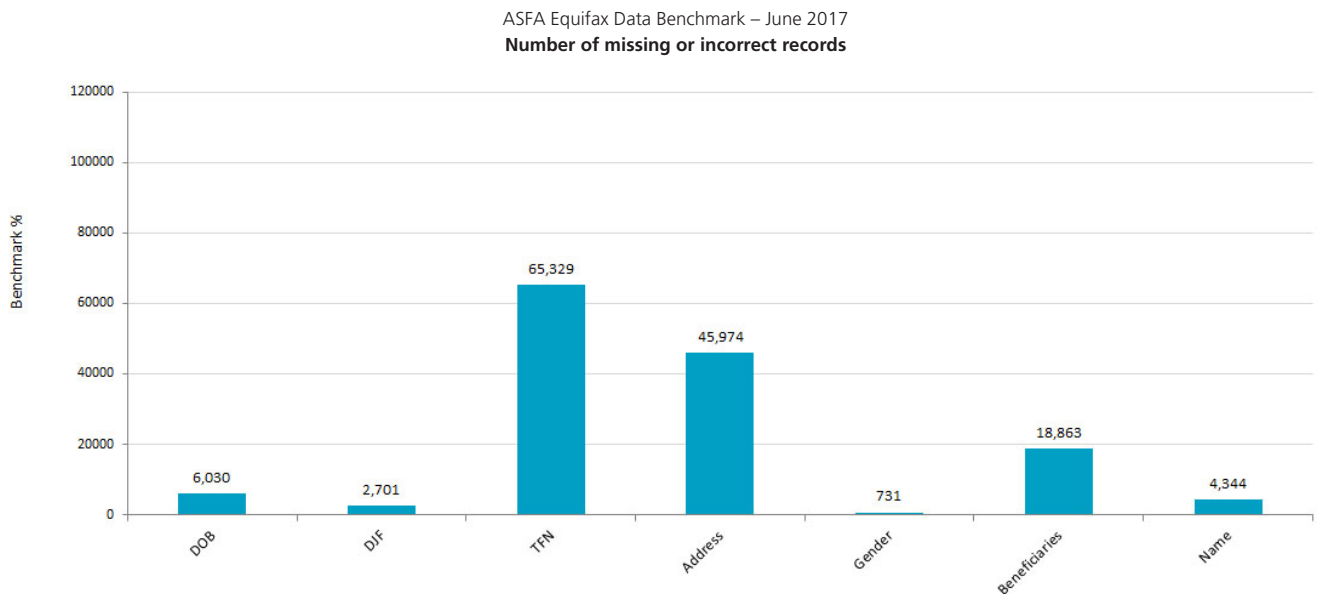
**Figure 3: Benchmark for each specific member details field audited**

Date of birth, TFN, address and full name are critical fields needed to confirm the correct identity of members for the correct application of contributions, communications, reporting and release of benefits.



NOTE: Full commentary on the importance of each of the member fields tested is provided in the September 2012 Benchmark Report, which is available from ASFA or Equifax.

**Figure 4: Data issues by type**



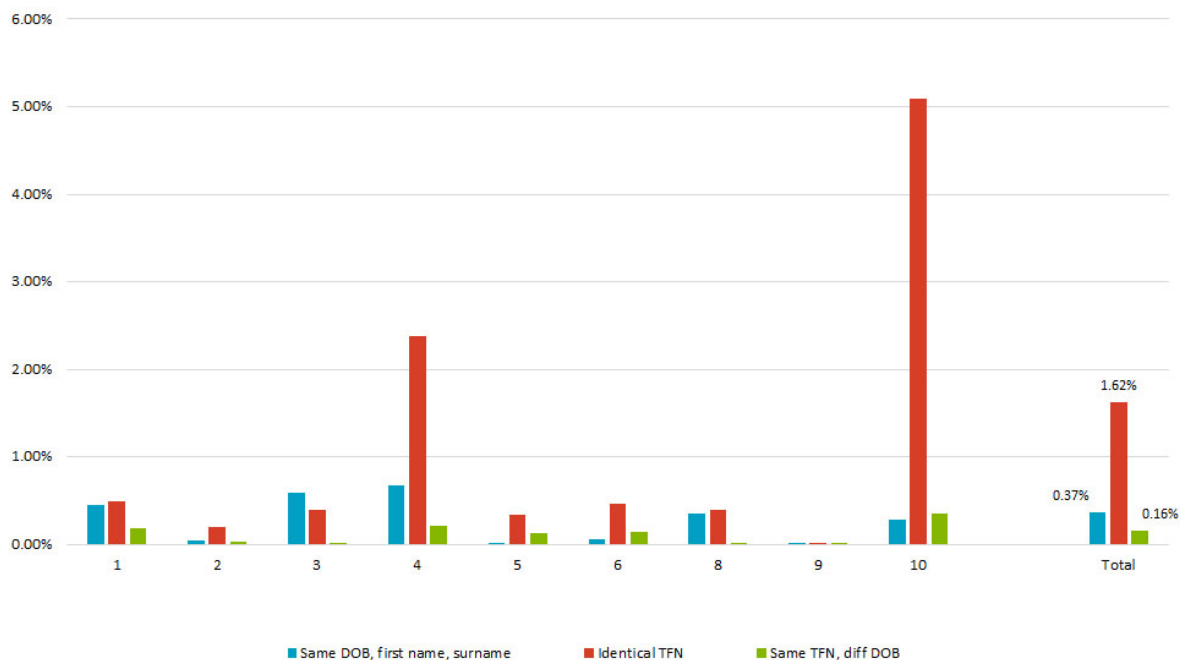
The major areas of concern with regard to data quality include:

- almost 66,000 TFNs which are missing or invalid
- over 40,000 addresses with incorrect record keeping. Note that this excludes addresses which are the wrong address for the member
- for those funds which supplied them, the data for 18,000 beneficiaries is invalid
- whilst only about 6,000 issues, the invalid dates of birth (DOB) are a concern since DOB is such a critical identity field.

## Duplicate members within a fund

A new comparison data point is being monitored by the Benchmark relating to the possibility of duplicate memberships within a fund.

**Figure 5: Possible duplicate members**



Analysing the Benchmark data audits of the last 10 participating funds, covering two million members, the number of duplicate member records is approaching 1.62 per cent.

At an average administration fee of \$50 per member, this is a duplicated administration fee cost of approximately \$2,246,300 per annum.

Administration fees are mostly based on the number of active member accounts, with a lower fee for 'inactive' accounts. Consequently, duplicate membership records result in unnecessary fees. At least two Benchmark participants, with the full support of their administrator, have recouped overpaid administration fees greater than the cost of running the actual ASFA Equifax Data Benchmark.

The above chart shows the possible duplicate members from three tests. Almost 10 other tests are conducted to identify additional possible duplicates. The estimated 1.62 per cent duplicate members may well be a conservative measure.

- Tests such as "same date of birth, first name and surname" and "identical TFN" represent a high probability of two records being the same member.
- The third test in the chart opposite "same TFN, different DOB" may mean two different members are using the same TFN or that the member is a duplicate member, but with different details on the second record.

Participants in the current Benchmark are receiving information on internal duplicates, enabling them to clean up their databases. Some funds in the above chart have almost eradicated duplicate members. This assists them to keep tighter control of the administration fees and premiums being levied against their members.

Duplicate members may also be paying two lots of insurance premiums, an issue currently being addressed by the Insurance in Superannuation Working Group (ISWG).

Equifax has recently undertaken a number of data audits on insurances record keeping. An insurance calculation audit checks on the data fields covered in the ASFA Equifax Data Benchmark plus potential issues relating to insurance eligibility, cover and premiums.

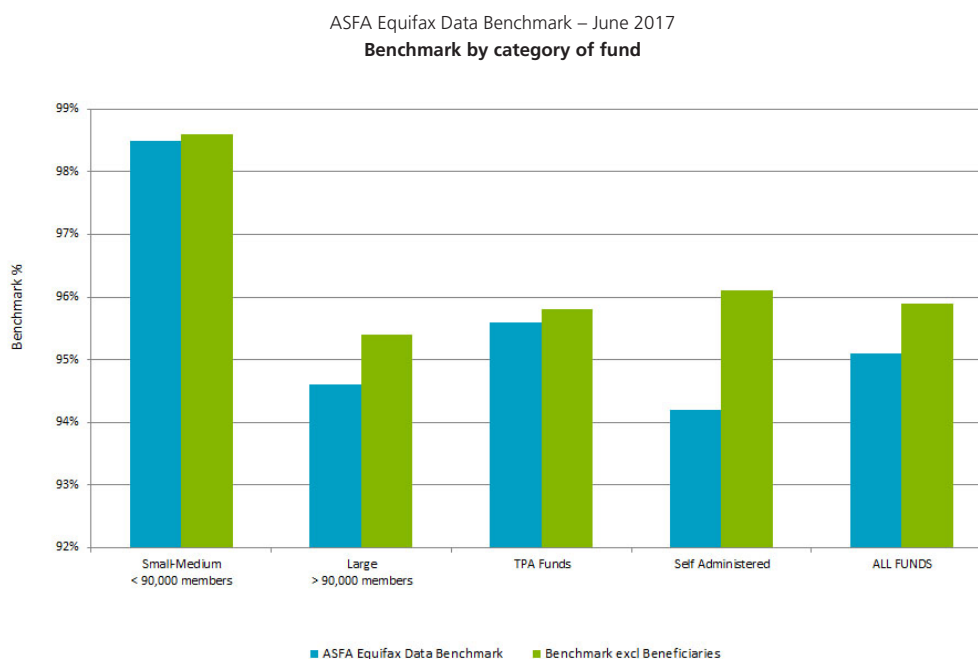
### 3. Data cleanliness by ASFA Equifax Data Benchmark groups

Nineteen funds participated in the June 2017 Benchmark, with an average active membership of 140,902 (compared to 128,800 in December 2016).

The following provides the Benchmark for funds by category. The “Benchmark excl Beneficiaries” gives a good comparison of the core data fields specified by the ATO to the data quality activity being undertaken by the UK Pensions Regulator (see the March 2013 Report for more information on the UK data quality standard).

**Figure 6a: Benchmark for specific groups of funds**

The small-medium funds have a high percentage of issues with member beneficiaries. The third-party administered funds continue to lag behind self-administered funds.



**Figure 6b: Benchmark for specific groups of funds**

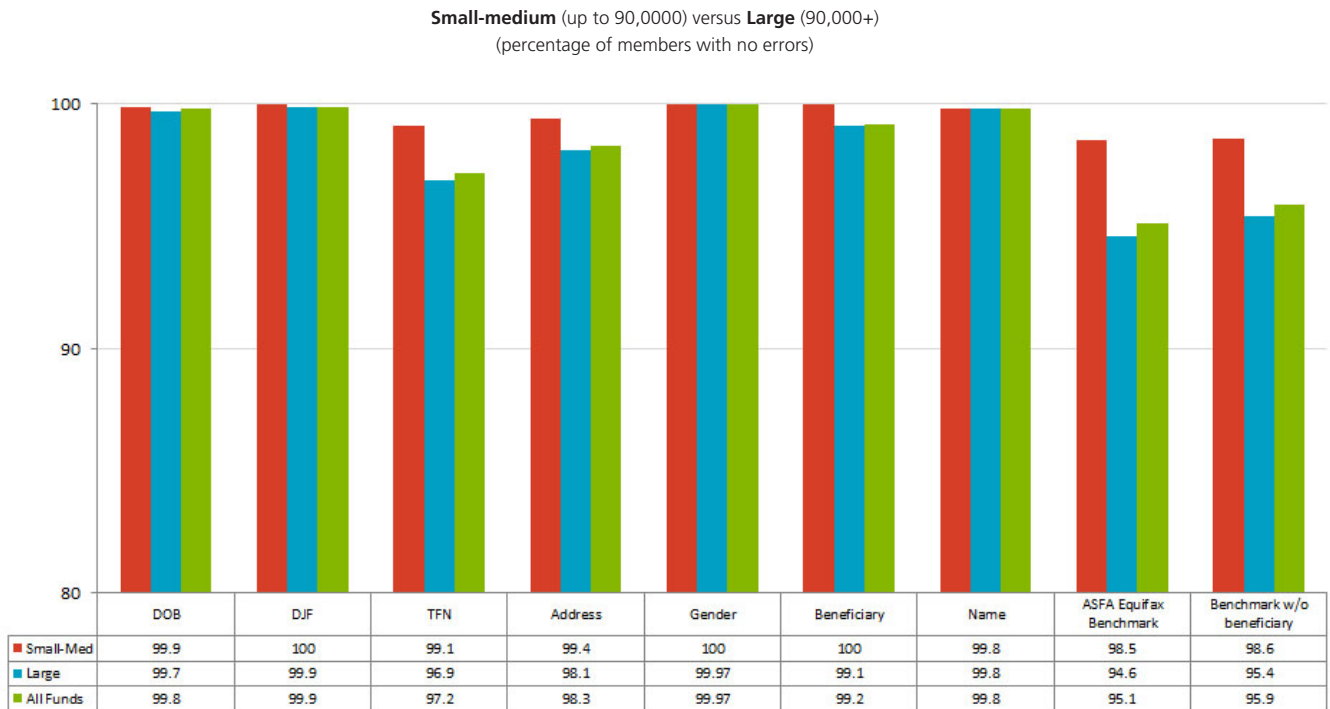
Funds by Benchmark group	Small-Medium < 90,000 members	Large > 90,000 members	Third-party administered	Self-administered	All funds
Number	9	10	13	6	19
Total membership	392,426	2,284,714	1,789,653	887,487	2,677,140
Average membership	43,603	228,471	137,666	147,915	140,902
Date of birth	99.9%	99.7%	99.7%	99.9%	99.8%
Date joined fund	100.0%	99.9%	99.8%	100.0%	99.9%
Tax file number	99.1%	96.9%	97.5%	96.5%	97.2%
Address	99.4%	98.1%	98.3%	98.3%	98.3%
Gender	100.0%	99.97%	99.96%	99.99%	99.98%
Beneficiaries	100.0%	99.1%	99.8%	98.2%	99.2%
Name	99.8%	99.8%	99.8%	99.9%	99.8%
<b>ASFA Equifax Data Benchmark</b>	<b>98.5%</b>	<b>94.6%</b>	<b>95.6%</b>	<b>94.2%</b>	<b>95.1%</b>
Benchmark excluding beneficiaries	98.6%	95.4%	95.8%	96.1%	95.9%

## Data integrity by fund size

For the purpose of this report, small-medium funds (nine in the Benchmark) are defined as having up to 90,000 members and large funds (10 in the Benchmark) over 90,000 members.

When comparing the small-medium and large funds as two groups, the Benchmark is better for small-medium funds, mainly due to the data being held for addresses and beneficiaries.

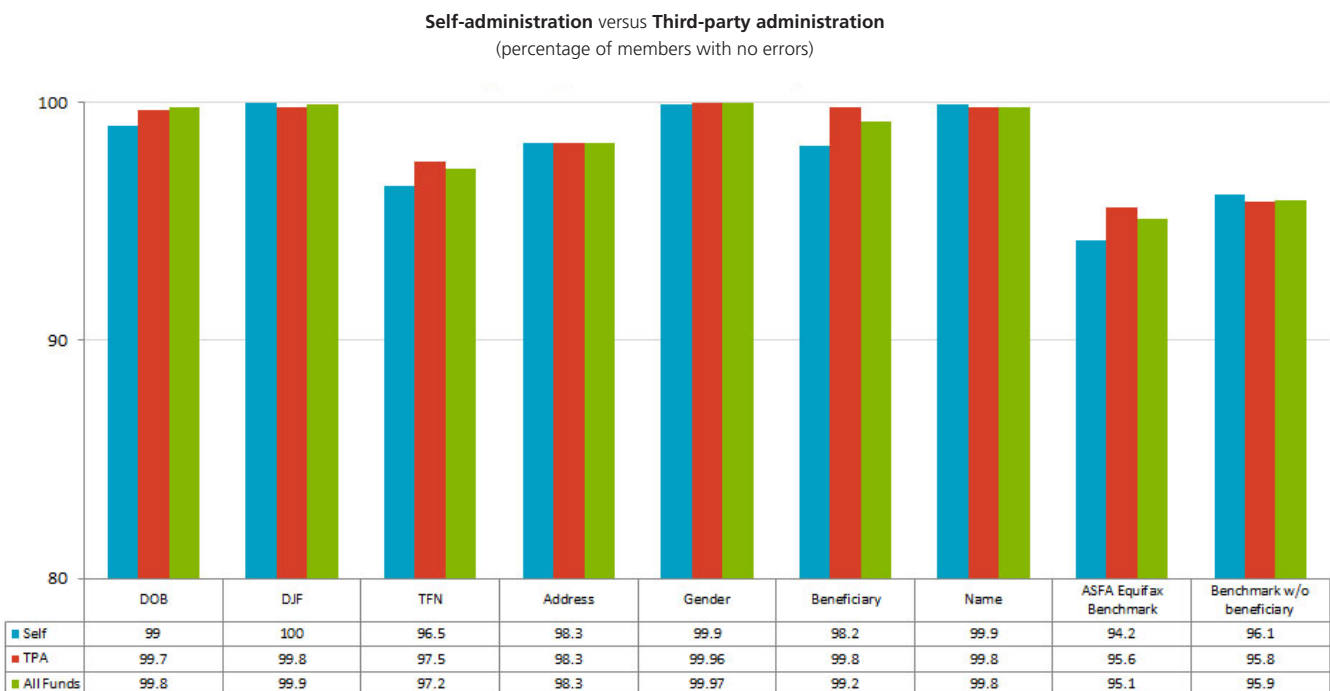
**Figure 7: Data integrity by fund size**



## Self-administration versus third-party administration

Self-administered funds (6 in the Benchmark) have fewer members with data issues than third-party administered (TPA) funds (13 in the Benchmark). There is little significant difference in the type of data issue, self-administered funds have slightly better data integrity in the administration of TFNs, addresses and beneficiaries.

**Figure 8: Self-administration versus third-party administration (percentage of members with no errors)**





## 4. Benchmarking produces improved data quality

APRA has provided trustees with a framework to help them mitigate data risks and improve data quality. This is represented in CPG 235 “Managing Data Risk”. Supervisory visits from APRA will have a focus on data integrity.

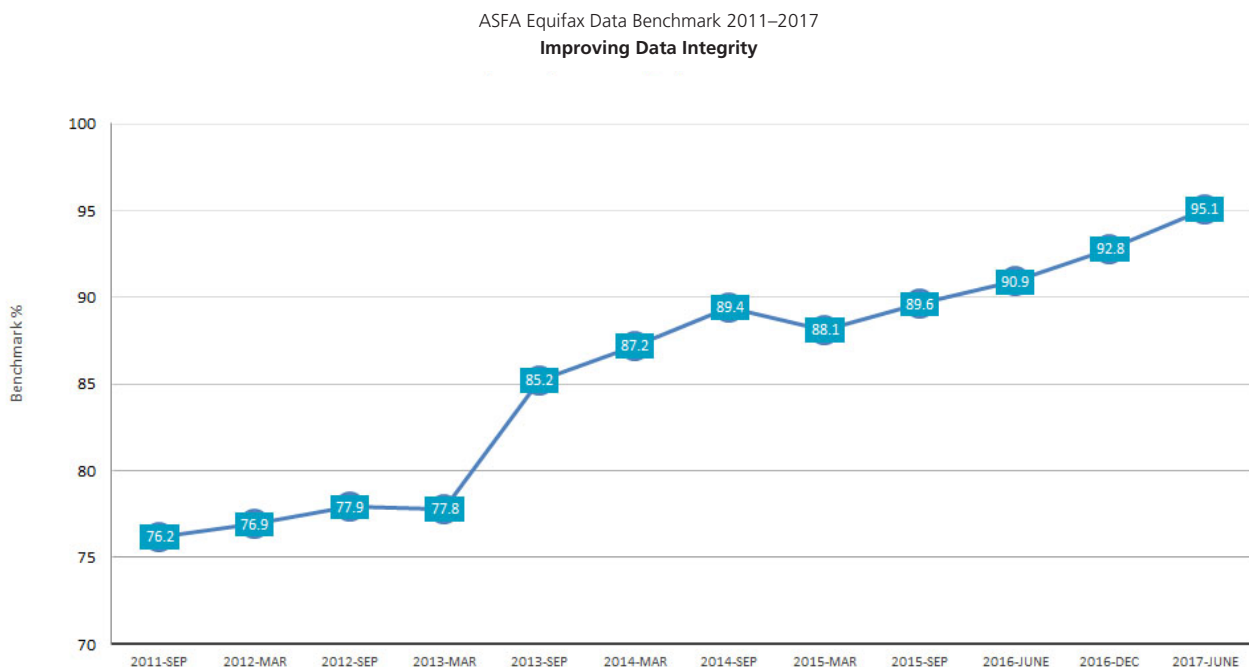
Funds participate in the Benchmark for a number of reasons. APRA’s push for improved data quality is one. Many funds first participate as part of data integrity checking exercise when significant events are occurring (such as a change of administrator or a change of platform). Once they audit their data, the benefit in repeating the process becomes obvious.

### Value delivered to funds and members

Over the past five years, almost every fund which has performed more than one data integrity audit has seen an improvement in overall data quality leading to a better member experience. This includes:

- a reduction in missing and/or incorrect data
- less complaints from members (and a reduction in errors and omissions)
- better communication through improving member contact details
- reduced costs to members and funds from the removal of duplicate members.

**Figure 9: ASFA Equifax Data Benchmark shows continuous improvement**



APRA recommends that trustees benchmark their own improvement and also against other superannuation funds. The ASFA Equifax Data Benchmark has helped to drive a continuous improvement in data quality.

A clear conclusion that can be drawn is that once trustees begins to participate in data auditing and benchmarking, the majority of funds will realise a significant improvement in data quality for their members.

Good quality data is more than just a regulatory or governance concern – it is the bed-rock for being able to implement effective data driven customer engagement and digital strategies.

### For further information, contact:

Steve Shoreson  
Head of Data Integrity and Migrations, Equifax  
140 William Street, Melbourne VIC 3000, Australia  
**T** +61 3 8629 1737  
**M** +61 475 832 198  
**E** [steven.shoreson@equifax.com](mailto:steven.shoreson@equifax.com)