

How Centrelink can help you reduce red tape



Is your fund prepared for 'baby boomers' purchasing income streams? Do you know the level of administrative costs associated with ongoing Centrelink reporting for these customers? Do you know there is a technological solution that delivers efficiency and better customer service?

Introducing Centrelink's electronic transfer of income stream review data.

Save time and money

Electronic data transfers between your organisation and Centrelink will limit the need for our customers to contact you to confirm their fund details. This has the potential to save you time and money through fewer customer contacts and a reduction in letters to clients.

'In the industry at the moment it's very competitive, costs are being driven down. It's very important to do things accurately and quicker; and we're trying to reduce the number of calls and emails we receive from customers. We want customers to be satisfied. If our customers are satisfied they're more likely to come back and that's really what we want.'

**Matt Paterson—Head of Customer Service
Personal Investments, ING**

Improve customer service

The new process replaces a letter-based review system and gives you more time to focus on the thing that is most important—keeping your customers happy.

'The most important thing from a Q Super perspective (is that) our brand attributes are focused in low fees and real service. So we really saw this as an opportunity to reduce our fees.'

David Wood—General Manager of Operations, Q Super

Manage your business in a changing environment

Australia's demographics have changed and now organisations have to change the way they do business. With new Government legislation, companies will find that more of their clients will be eligible for a Government pension. This, together with the 'baby boomer' generation turning Age Pension age, will mean income stream providers will find themselves having to deal with Centrelink on a much greater scale than ever before.

'We've got the baby boomers coming up to retirement age and we've got changes allowing more people to be eligible for the age pension...we're talking about a big bulge in the population that's suddenly turning 65. You'll notice it!'

**Dr Michaela Anderson—Director of Policy and Research,
Association of Superannuation Funds Australia (ASFA)**

What is it?

For people that receive a social security payment, the Government needs to know how much income they draw from account based income stream products and how much is kept in their investments. These figures are used in the calculation of people's entitlements to payments such as Age Pension, Carer Payment and Disability Support Pension.

Every February and August, Centrelink sends these customers a letter asking them to advise the level of income received and assets held in each of their income stream products. For customers this can be a difficult task, as they have to verify their current balance, annual income and commutation details. For fund administrators, these reviews mean an increase in customer enquiries and a need to send more letters to customers or their financial advisors.

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Centrelink, in consultation with the industry, has now developed an electronic process that alleviates this burden for our mutual customers.

How does it work?

A simple process has been established in consultation with the industry. It utilises a 128 bit encryption over a secure government website to transfer customer data.

'It's something really quite simple; it wasn't that hard to implement. Very easy from our perspective...it's a win for everyone.'

**Andrew Griffin—Manager of Registry Services, State Super
Financial Services Australia**

Where can I find out more?

If you would like more information about this exciting project, or to find out how it could benefit your fund, please contact Centrelink.

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