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To all RSE licensees

PUBLICATION OF SUPERANNUATION STATISTICS AND CONFIDENTIALITY OF SUPERANNUATION DATA

Background

On 14 November 2013, APRA released a discussion paper on proposed changes to its superannuation statistical publications and confidentiality of superannuation data submitted to APRA.¹

In the discussion paper, APRA proposed to revise its *Quarterly Superannuation Performance Statistics* publication and introduce a *Quarterly MySuper Statistics* report. The proposals incorporated changes to the superannuation reporting framework that took effect from 1 July 2013, to support the Stronger Super reforms and implementation of the prudential standards, and to meet APRA's legislative obligation to publish MySuper product-level statistics.² APRA also proposed to determine most, but not all, of the relevant data submitted under the *Financial Sector (Collection of Data) Act 2001* by registrable superannuation entity (RSE) licensees non-confidential and publicly accessible.

The consultation period for submissions to be made to APRA closed on 31 January 2014. APRA received 12 submissions in response to the proposals in the discussion paper. Of these submissions, 11 are available on APRA's website at the address below and one submission was marked as confidential.

<http://www.apra.gov.au/Super/Publications/Pages/1405-Responses-Publication-of-superannuation-statistics-and-confidentiality-of-superannuation-data---November.aspx>

¹ The discussion paper is available on APRA's website:
<http://www.apra.gov.au/Super/Publications/Pages/Publication-super-statistics-confidentiality-super-data.aspx>

² A separate consultation will be undertaken in 2014/15 in relation to revised annual publications, and quarterly publications that reflect changes made to the superannuation reporting framework that were effective from 1 July 2014.

Publication of quarterly industry-level and MySuper statistics

In the discussion paper, APRA sought feedback on the content and format of the proposed quarterly publications. Submissions indicated general support for the proposed publications but noted concerns in relation to some aspects of the content of the publications, and in particular the breadth of the data proposed to be determined non-confidential (as outlined below). Otherwise, limited feedback was provided on the content of the proposed publications.

Following consideration of the feedback received in submissions, and subject to APRA's determinations in relation to the non-confidentiality of the data (as discussed below), APRA will - over time - implement improvements to the *Quarterly Superannuation Performance Statistics* publication and *Quarterly MySuper Statistics* report with amendments to include additional statistics sought by respondents. By implementing the proposed changes to the publications, APRA will publish more than 120 new statistics and publish statistics for the first time on MySuper products. The data to be released in the *Quarterly MySuper Statistics* report "will provide a central source of information on MySuper products and will help inform consumers and drive competition"³.

As outlined in the discussion paper, APRA intends to use a new data dissemination tool to publicly release superannuation statistics which will enable enhanced access to data in a manner that facilitates manipulation, visualisation and analysis. Implementation of this new tool will take some time and accordingly the fully revised quarterly statistical publications and reports, and the ability to access the data in the new database, will not be available until later in 2015 at the earliest. APRA acknowledges that in the short term this will limit the ability of users to undertake analysis of the data that is published.

APRA has been releasing an interim version of the *Quarterly Superannuation Performance Statistics* each quarter since September 2013. APRA will continue to release the interim *Quarterly Superannuation Performance Statistics* each February, May, August and November for the reference quarters ending two months prior to publication, until the full version is available via the data dissemination tool. APRA will expand the interim publication to include additional data items from the September 2014 edition of the publication, and intends to release further data over time as and when it is determined non-confidential.

³ Explanatory Memorandum, Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Bill (2012)
http://strongersuper.treasury.gov.au/content/exposure_drafts/super_legislation_amendment/downloads/Explanatory_Memoradum.pdf

APRA will also release interim versions of the *Quarterly MySuper Statistics* report pending the implementation of the data dissemination tool. By publishing the interim report, APRA will satisfy its obligation to publish certain MySuper data under section 348A of the *Superannuation Industry (Supervision) Act 1993* (the SIS Act). Each interim *Quarterly MySuper Statistics* report will contain data for one quarter.

On 2 October 2014, APRA will publish the interim *Quarterly MySuper Statistics* reports for the periods ending September 2013, December 2013, March 2014 and June 2014. These reports do not contain some data in the proposed *Quarterly MySuper Statistics* report⁴. APRA will continue to release the interim *Quarterly MySuper Statistics* reports each February, May, August and November for the reference quarters ending two months prior to publication, until the full version is available via the data dissemination tool. As is proposed for the *Quarterly Superannuation Performance Statistics*, APRA intends to expand the interim *Quarterly MySuper Statistics* report to include additional data items over time.

APRA recommends that users of the statistics exercise caution in analysing and interpreting the reports, particularly while the new superannuation data collection is still relatively new. During this early phase of a new collection, the systems and processes for collecting and reporting data in accordance with the new reporting requirements are not fully embedded across the industry. Further, aspects of the reporting requirements and instructions are still being refined in consultation with industry. It will therefore take time for the information reported to APRA to reach an appropriate level of quality and consistency. APRA anticipates that the publication of the data provides opportunities for industry to improve the quality of submitted data and to work with APRA to further refine the superannuation data collection.

APRA also notes that investment performance over the long term is the key determinant of members' retirement outcomes and that there is likely to be considerable variability in some data over the short term. In that context, APRA strongly recommends that users of the statistics exercise caution in making assessments or drawing conclusions based on short-term performance or other information.

Publication of data for industry segments

The discussion paper sought feedback on the value of classifying data into segments based on various attributes, developing and releasing statistics for these segments in statistical

⁴ Data that have not yet been reported to APRA in respect of 30 June 2014 and prior quarters are not included in the first editions of the *Quarterly MySuper Statistics* report. Data reported on *SRF 703.0 Fees Disclosed* is reported from 1 July 2014 and will be published in the September 2014 edition of the *Quarterly MySuper Statistics* report. Data reported on *SRF 610.2 Membership profile* and *SRF 601.0 Profile and Structure (RSE)* are reported annually for entities' financial year-end and have not yet been reported to APRA.

publications and reports, and the particular data it may be appropriate to publish by segment.

Many submissions were supportive of publication of some statistics by industry segment. A number of submissions noted that segmentation helps users understand the superannuation industry and its participants. Other submissions questioned the role of APRA to calculate and publish segmentation statistics, although acknowledged the value of these statistics to users. There were varying suggestions regarding the segments that may be most appropriate, and very limited feedback on the specific data that would be appropriate to publish by segment.

Given the range of views provided in submissions and limited level of feedback on some aspects of segmentation, APRA intends to further consult on:

- the level of segmentation that may be appropriate, if any, for the different publication formats that are proposed; and
- the particular data that may be most appropriate and useful to release by segment for the different publication formats, and in particular for the statistical publications and statistical reports.

Confidentiality of data

In the discussion paper, APRA proposed that all MySuper product data be treated as non-confidential, and to determine all but a limited sub-set of other reported data non-confidential. The data proposed not to be determined non-confidential included data relating to the Vested Benefits Index, Operational Risk Financial Requirement (for a limited period) and financial or other commercial data relating to service providers.

Under section 348A of the SIS Act, APRA is required to publish in respect of each quarter information about fees charged, costs incurred and net returns, on a product by product basis, for all MySuper products, including large employer products⁵ and material goodwill products⁶. As APRA is required to publish these data, the publication will be for the purposes of the SIS Act and consistent with the secrecy provision in the *Australian Prudential Regulation Authority Act 1998* (APRA Act) without the need for any further determination by APRA. The data that APRA is required to publish under Section 348A of the SIS Act are listed in Appendix A.

Section 57 of the APRA Act provides that APRA may, by legislative instrument, determine that data submitted to it by superannuation entities under section 13 of the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act) contains or does not contain confidential information. APRA may determine data to be non-confidential if “APRA considers that the

⁵ See Section 29TB of the SIS Act for information on MySuper products for large employers.

⁶ See Section 29TA of the SIS Act for information on material goodwill products.

benefit to the public from the disclosure of [the data] outweighs any detriment to commercial interests that the disclosure may cause”.

Submissions generally supported the principles behind APRA’s proposals regarding determining data non-confidential, with few submissions indicating that it would be desirable to make most of the data accessible by determining it non-confidential. Most submissions supported APRA’s proposals that specific data items not be determined non-confidential; some indicated that making a limited number of further data items non-confidential would also potentially cause detriment to commercial interests of RSE licensees. A handful of submissions proposed that a larger proportion of the data should not be determined non-confidential, as to do so would potentially cause detriment to commercial interests of RSE licensees. Some submissions also suggested that a second round of consultation would be necessary to properly consider and gauge the effect of determining data to be non-confidential.

Following its initial consideration of submissions, APRA invited the industry bodies and other entities that had made submissions to make additional representations to clarify their submissions, particularly in relation to proposed disclosures in institution-level and product-level publications. APRA also met with industry representatives and other stakeholders to discuss its proposals and obtain further feedback. Following this additional consultation, further representations from industry were received in May and June 2014.

Having considered all of the feedback on data confidentiality provided to date, APRA proposes a phased approach to the determination of data to be non-confidential and hence the publication of non-confidential data.

In the short term, APRA will publish data on MySuper fees, costs and net returns for the purposes of the requirement in section 348A of the SIS Act. APRA will also publish, under section 57 of the APRA Act, additional MySuper product and institution-level data where RSE licensees and representative associations raised no objection to a non-confidentiality determination for these data items on the grounds of commercial detriment, or have indicated that publication would not be detrimental to their commercial interests. The data that APRA has determined non-confidential under section 57 of the APRA Act are listed in Appendix B.

APRA intends to undertake further consultation with industry representatives and other interested parties on other superannuation data that is collected under the FSCOD Act and is not included in this determination. APRA expects that this will enable APRA to publish additional data over time. In the meantime, APRA will continue to apply confidentiality protection measures for aggregated publications to ensure that confidential information relating to an individual institution cannot be derived from APRA’s published statistics.

Some of the submissions suggested that some data should not be determined non-confidential to protect individual privacy. As outlined in the discussion paper, the proposed determination will not affect APRA’s obligations under the *Privacy Act 1998*

(Privacy Act). The Privacy Act requires that where APRA has possession or control of a record that contains personal information, it shall not disclose that information to a person, body or agency (other than the individual concerned) except under specific circumstances. In the case of superannuation data, this applies to RSE information where an individual's details could be discovered. APRA does not intend to disseminate RSE data where an individual's details can be determined and will continue to apply privacy protection measures to ensure that an individual's details cannot be derived from APRA's published statistics.

To adhere to the requirements of the Privacy Act, APRA uses the framework developed by the National Statistical Service (NSS). The NSS, which is a community of government agencies led by the Australian Bureau of Statistics, prescribes a process for managing the risk of releasing private data. APRA follows the NSS policies and procedures to identify and manage privacy risks to ensure an individual's privacy is not breached. APRA already masks data in publications to ensure that identifiable information about individuals is not released publicly and cannot be derived from data that is released⁷. APRA will continue to apply these privacy protection measures.

Annual superannuation statistical publications

As noted in the discussion paper, APRA proposes to consult RSE licensees and other interested parties on draft annual superannuation statistical publications and reports. This is expected to occur in early to mid-2015, following submission and analysis of the first collection of the revised annual data collection in October 2014. In the meantime, APRA will release an interim version of the *Annual Superannuation Bulletin* and *Superannuation Fund-Level Publications* in the first quarter of 2015. APRA expects to consult at the same time on publication of the additional quarterly information that is to be submitted to APRA from 1 July 2014 such as select investment option data.

Next steps

APRA appreciates the work undertaken to date by industry and other stakeholders in providing the information requested in submissions.

We welcome feedback on the revised publications as they are released. We would also encourage industry and other stakeholders to review the information that is published for accuracy and consistency, so that the quality of the data collection and publications is enhanced over time.

⁷ APRA's *Superannuation Fund-level Profiles and Financial Performance* publication masks certain items to protect the privacy of individuals: <http://www.apra.gov.au/Super/Publications/Pages/superannuation-fund-level-publications.aspx>

APRA looks forward to further consultation with industry and other stakeholders on data confidentiality and the annual publications, and also publication of additional quarterly data, in the coming months.

Yours sincerely

A handwritten signature in cursive script that reads "Helen Rowell".

Helen Rowell
Member

Appendix A - Data that APRA are required to publish under S348A of the SIS Act

- SRS 702.0 Investment Performance (selected data items)
 - 1. Investment fees, costs and taxes
 - 2. Administration fees, costs and taxes
 - 3. Advice fees, costs and taxes
 - 4. Net investment return - quarterly (non-cumulative)
 - 5. Net investment return - year to date
 - 6. Net return - dollar value
 - 7. Net return - percentage value
 - 8. Representative member fees and costs
 - 9. Representative member fees, costs and taxes
- SRS 703.0 Fees Disclosed (all data items)

Appendix B - Data that APRA has determined non-confidential under S57 of the APRA Act

- SRF 001.0 Profile and structure (selected data items)
 - 1. RSE licensee ownership
 - 2. RSE licensee profit status
 - 3. Board structure
 - 4. Membership base
 - 5. Defined benefit RSE
 - 6. MySuper product and lifecycle stages
- SRF 410.0 Accrued default amounts (all data items)
- SRF 533.0 Asset Allocation (selected data items)
 - 1. Strategic asset allocation
 - 1.1 Asset class type
 - 1.2 Asset domicile type
 - 1.3 Asset listing type
 - 1.4 Benchmark asset allocation
 - 1.5 If applicable, lower end of asset allocation range
 - 1.6 If applicable, upper end of asset allocation range
 - 1.7 If applicable, currency hedging ratio
- SRF 602.0 Wind up (all data items)
- SRF 700.0 Product dashboard (all data items)
- SRF 702.0 Investment Performance
 - 10. Start date of reporting period for new investment options only
- SRF 710.0 Conditions of release (all data items)