

22/03/2021

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY  
1 Martin Place (Level 12), Sydney, NSW 2000  
GPO Box 9836, Sydney, NSW 2001

Dear APRA Superannuation Data Transformation team,

Please find below responses to the Superannuation Data Transformation Phase 1 discussion paper – Topic 2: Performance.

We have complete responses to the specific areas in the discussion paper chapter 6 and included other comments on the forms identified through our review and preparation of sample data.

APRA questions	Response
<p>1. APRA seeks feedback on the collection of return objectives as set out in this Topic Paper and associated reporting standards and any barriers to providing the information, for example, whether particular RSE licensees could not report in the format proposed.</p>	<p>We support the provision of return objectives, and benchmarks although note that there remains inconsistency across the industry in terms of stated objectives versus what this means for portfolio construction.</p> <p>Timing issues may also arise – as certain data may not be available within APRA’s required reporting deadline of 28 calendar days after month end. This will mean that the benchmark being reported will be latest available at lodgment, as is the case for other APRA data currently, or can be updated later.</p>
<p>2. Through SRS 705.0, APRA is proposing the collection of data that is aligned with updated RG 97 requirements from 1 July 2020, which is ahead of ASIC’s revised disclosure requirements coming into effect on 30 September 2020.</p> <p>APRA seeks feedback on the proposal for RSE licensees to provide this data to APRA from 1 July 2020, rather than reporting one quarter under the current classifications.</p>	<p>We support consistency in disclosure across the industry, and accordingly disclosure in accordance with RG97 methodology. Disclosure should align with RG97 as it is amended.</p> <p>There remain some industry differences in practices in relation to quarterly estimates.</p>
<p>3. APRA seeks feedback on any instances where reporting of indirect cost under RG 97 would not capture costs which are captured under the look through provisions at subsection 13(4A) of FSCODA.</p> <p>Additionally, APRA seeks feedback on any platforms, products, investment menus or investment options that would not be able to report fees and costs under SRS 705.0 due to the application of the Platform Test in RG 97.</p>	<p>We understand that some investment management fees charged by managers of listed REITs would not be captured under RG97 but may otherwise be captured under FSCODA.</p> <p>Buy/sell spreads charged at an investment option level are transactional charges that are not captured under RG97, and accordingly would not be reported.</p> <p>We support the extension to the SRS705.0 reporting to include platforms (as a direct investment option). However, where such products are reporting on a differentiated basis (e.g. gross of tax performance),</p>

	this should be noted to ensure like-for-like comparisons can be made.
4. APRA seeks feedback on the proposed methodology for the calculation of option return volatility item in Table 3 of SRS 705.1.	Our preference would be to utilise a monthly standard deviation for reporting purposes as opposed to the suggested weekly. This is more consistent with industry practice.
5. APRA seeks feedback on whether the calculation of long term returns based from quarterly data could result in a materially different return from RSE licensees' own return calculations, and if so, reasons for the difference?	Our preference would be to provide a YTD performance results on a quarterly basis and have APRA system calculate the quarterly movement. This will reduce the chance of error from small adjustments that may be completed after APRA lodgment when results for the quarter are available (refer to point 1). This aligns to standard reporting within the business.
6. APRA seeks specific feedback on any barriers to providing the 10 years of historical data (as noted in Chapter 3 above) to be submitted on the first collection of SRS 705.1.	We support the provision of and use of long-term metrics for analysis and comparison purposes.  As has been discussed at the workshops, given that the structures of RSE's has changed over the past 10 years, particularly with the introduction of MySuper, the data may be different for different years. For some issues (such as fee and cost disclosure, pre-RG97) – historical inconsistencies will remain. If APRA ensure that information can be adjusted and compared on a like for like basis, then we do not see any issues with providing the historical data.
7. Feedback as outlined in item 5.1 "Feedback sought on confidentiality proposals".  <ul style="list-style-type: none"> <li>• details of the data items that should remain confidential (if any);</li> <li>• information on how the disclosure of that information would lead to detriment to member interests, and the extent to which that could occur, and/or;</li> <li>• information on how the disclosure of that information might lead to detriment to RSE licensees or other parties' commercial interests.</li> </ul>	We don't consider the data requested under this topic to be confidential.
Other comments	Investment returns on our collective options, ASX 300 and Term deposits, have not been reported as per chapter 2 of the topic paper.

We look forward to on-going discussions and feedback on the responses and future releases of topics through the Phase 1 program.

Regards,



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