

13/05/2022

General Manager
Data Analytics & Insights
Risk and Data Analytics Division
Australian Prudential Regulation Authority

By email: superdatatransformation@apra.gov.au

Superannuation Data Transformation Project Phase 2

1.1 Background

AustralianSuper is Australia's largest superannuation fund and is run only to benefit members. Almost 2.6 million Australians are members of AustralianSuper, and we invest over \$260bn of their retirement savings on their behalf. Our purpose is to help members achieve their best financial position in retirement. AustralianSuper continues to be an industry leader when it comes to the provision of clear, useable, and transparent information about our operations and investment holdings.

1.2 AustralianSuper's position

AustralianSuper agrees that robust and reliable data on the superannuation industry is essential for regulatory oversight, transparency, and accountability. Quality consistent data also allows for proper assessment of industry performance and the outcomes delivered for superannuation members.

The ability for Australians to trust in the integrity of data that is collected, and increasingly published, by APRA is crucial to ensuring trust in our superannuation system more broadly. It is also important that data is validated by APRA with superannuation funds, where analysis is undertaken so that its integrity is assured prior to release.

Our comments in response to the consultation questions are included in **Appendix A**.

Thank you for the opportunity to make a submission. For more information, please contact [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Appendix A

#	Topic	Question	AustralianSuper Feedback
1	Scope	Do you have any feedback on the proposed Phase 2 topics?	We support all the proposed Phase 2 topics which are based on the current reporting standards.
2	Scope	Are there any additional topics or specific data items APRA should consider in scope for Phase 2?	
3	Existing data sources	Are there any existing reporting or classification frameworks that APRA should consider in developing reporting proposals and classifications for each topic?	
4	Approach	Do you have any feedback on the consultation approach?	We appreciate APRA are proposing a black-out period for any consultations from August to mid-September 2022. However, it would be very helpful if the blackout period was extended to cover July until the end of September each year. This would allow for the fact that many of the people who would be involved in responding to the consultations are heavily involved in year-end financial statement preparation and APRA reporting during this time.
5	Approach	Do you have any feedback on the principles that APRA intends to apply to determine the approach to pilot collections? Or your experience in pilot collections under Phase 1?	Pilot data collection as part of the release consultation is an essential period. This allows us with the opportunity to gather the initial data requirements for each proposed reporting standard, establish implementation planning, allocate expected budget and resources, and provide feedback to APRA for any initial implementation issues identified. Therefore, it is important to allow sufficient time for the consultation period of the pilot data collection, funds' feedback and APRA's response to the release proposals. Refer to our feedback on Topic#8 with regards to timing and sequencing of topics for consultation.
6	Approach	Do you have any feedback on the proposed iterative implementation approach for certain topics?	We are supportive of APRA proposing an iterative implementation approach for certain topics where some data will be new or significantly changed that impose challenges in generating the required data. This assessment can only be determined during the consultation period. This reiterates the importance to allow sufficient time for the consultation period and to consider the number of proposed reporting standards in each release consultation.

7	Current reporting standards	Do you have any initial views about existing reporting standards that are currently collected through D2A that could be amended or discontinued?	<p>APRA has flagged that “parts” of eleven existing reports are to be considered for discontinuation. To simplify the reporting process, we strongly encourage APRA to consider incorporating the parts of the eleven forms to be retained into other ongoing forms.</p> <p>For example, the parts of SRS 331.0 that APRA plans to retain could be incorporated into SRF 332.0.</p> <p>Refer further to our feedback under Topic#8 below with regards to prioritising current reporting standards that are partly to be discontinued in Release 1 or 2 with implementation effective 1 July 2023. This will speed up the decommissioning of the current reporting standards with duplicated data collection with Phase 1 reporting standards that are already in operation. This will in turn reduce the funds’ burden in completing duplicated forms and enable funds to allocate resource to focus on Phase 2 implementation.</p>
8	Timeline and sequencing	Do you have any feedback on the timing and sequencing of topics for consultation?	<p>The proposed timeline seems onerous on funds, in particular Release 1 and Release 2 consultations.</p> <p>Release 1 consultation consists of 8-10 reporting standards and Release 2 consists of 10 reporting standards, with a consultation period of 3 months for each release.</p> <p>As noted in our feedback in Topic#5 and 6 above, the consultation period including pilot data collection is an essential stage. Therefore, it is important to allow sufficient time for the consultation period and to consider the number of proposed reporting standards in each release consultation.</p> <p>In addition, Release 3 consultation is proposed to be in March to June 2023. This will add extra burden to funds’ resources. As per our feedback in Topic#4 above, people who would be involved in responding to the consultations are also heavily involved in the preparation of APRA reporting i.e. including the new proposed 10 quarterly reporting standards which are proposed to be effective 1 July 2023 with the first submission for quarter ending 30 September 2023.</p> <p>Considering the response to Release 1 and 2 proposals will only be in March 2023, this means the timeframe for funds to implement the 10 quarterly reporting standards will be 3-6 months.</p> <p>Without knowing the extent of the granular data requirements of the proposed 10 quarterly reporting, based on the Phase 1 implementation experience,</p>

		<p>the proposed timeframe of Phase 2 may not be feasible.</p> <p>As a comparison, in Phase 1, Topic Paper 1 (2 reporting standards) and Topic Paper 2 (3 reporting standards) had 6 months lead time to the implementation effective date. Topic Paper 3 (4 reporting standards) had 11 months lead time, and 2 reporting standards (asset allocation and expense) had further discussion on classification and other specific matters.</p> <p>We recommend the following:</p> <ol style="list-style-type: none"> 1. Split into 4 release consultations (2 release consultations each financial year) with some reporting standards initially proposed to be effective 1 July 2023 moved to implementation effective 1 July 2024. 2. Prioritise reporting standards that are partly to be discontinued to be included in the early Release 1 and 2 with implementation effective 1 July 2023. This will speed up the decommissioning of the current reporting standards that have overlapping data collection with the Phase 1 reporting standards already in operation. This will reduce the burden on funds of reporting duplicated data and will in turn enable funds' resources to focus on Phase 2 implementation. <p>For example, most of the data in SRS 530.0 and 533.1 (which consist of a number of forms for each select investment option) and all data in SRS 530.0 are duplicated with SRS 550.0. We employ additional people to complete this duplicated data reporting which is not in members' best financial interests.</p> <p>Release 1 and 2 reporting standards could include:</p> <ul style="list-style-type: none"> • Investments - Reporting standards which are or partly to be discontinued and replaced with SRS 550.0. • Membership - Reporting standards which are partly to be discontinued and replaced with SRS 606.0 and SRS 611.0. • Member Outcomes - Reporting standards which are partly to be discontinued and replaced with SRS 706.0 and SRF 251.3.
--	--	--

			<p>3. The subsequent releases should prioritise other current reporting standards that are identified to have critical data gaps.</p>
9	Timeline and sequencing	Do any of the topics require different lead times for implementation?	<p>This will depend on the granularity of the data requirements and the complexity of generating the data. Based on Phase 1 implementation, investments may require a longer lead time for implementation.</p> <p>Also refer to general feedback on Topic#8.</p>
10	Timeline and sequencing	Are there any related upcoming activities or changes which may impact the timing, implementation or design of reporting for each topic?	