

12 May 2022

General Manager
Data Analytics & Insights
Risk and Data Analytics Division
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001

Via email: superdatatransformation@apra.gov.au

Dear Sir/Madam

Discussion Paper: Superannuation Data Transformation – Phase 2 ("Discussion Paper")

CPA Australia and Chartered Accountants Australia and New Zealand (CA ANZ) welcome the opportunity to provide comments on the above Discussion Paper.

CPA Australia and CA ANZ represent almost 300,000 professional accountants globally. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

CPA Australia and CA ANZ generally support the proposals contained in the Discussion Paper. The majority of our feedback on this consultation is not in direct response to the Discussion Paper Chapter 3 questions that APRA has asked.

We believe that data is important and useful. However, it is essential that APRA recognises that it is not the only tool to be used in supervising Registrable Superannuation Entities (RSEs). We strongly encourage APRA to seek feedback from RSEs about the cost and time required to supply APRA with all of the data proposed in the Discussion Paper. The Vice Chairman of Ogilvy UK, Rory Sutherland, once observed that, "You can know everything about your ... balance sheet and your statistics while knowing nothing about your customer's own experience over time". He went on to say, "one of the problems is that business is obsessed with quantification".¹

As previously advised in our joint submission on the *Discussion paper: Superannuation Data Transformation – Publications and Confidentiality*, we agree that most data given to APRA should be treated as non-confidential. A full explanation should be provided as to why a field cannot be published due to confidentiality concerns.

In all areas APRA should detail for which entities it is collecting data and also how that data will be used by APRA and external bodies. Ideally, this information should be included in the

¹ <https://clevertap.com/blog/behavior-isnt-all-about-data-rory-sutherland/>

explanatory statement of all new and adjusted reporting (and where relevant, prudential) standards. Additionally, APRA should contact entities identified as primary end users and undertake research into how the data is being used. We believe it will be helpful for RSEs to have to supply data externally to only one entity. This would help to reduce the costs of supplying data to many organisations.

We note in section 2.5 of the Discussion Paper that APRA intends to “make draft reporting forms available in APRA Connect”. Only APRA regulated entities have access to APRA Connect and therefore, we ask that such draft reporting forms should also be made available on the APRA website for other interested parties, including CA ANZ and CPA Australia.

Finally, we note that RSEs are required to give the ATO a range of tax related financial disclosures and tax payments monthly². These superannuation funds are also required to send the ATO data concerning member account information at least monthly with many funds sending that information more frequently. We are concerned with the likelihood of funds having to send the same information to APRA and the ATO at different reporting timeframes and in different formats. This potential duplication of reporting is time consuming and adds to funds’ operating costs. This is not in fund members’ interests, let alone in their best financial interests. We note that this duplication has the potential to increase due to legislation proposed to introduce a level of mandatory financial reporting to ASIC³.

We therefore recommend that APRA, when designing its new and revised reporting standards, considers the potential for double reporting and takes all measures to avoid it from occurring. APRA should publish its analysis comparing what data it and the ATO require, including the frequency of such reports, and how double counting has been avoided or eliminated. Double reporting that cannot be avoided should be fully explained.

For further information in relation to our submission, please contact [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Yours sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
Chartered Accountants Australia and New Zealand

[REDACTED]
[REDACTED]
[REDACTED]
CPA Australia

² Smaller APRA regulated entities may be required to submit this information quarterly or even yearly.

³ The *Treasury Laws Amendment (Streamlining and Improving Economic Outcomes for Australians) Bill 2022* lapsed on dissolution.