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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

Superannuation Data Transformation Project Phase 2 – Scope and Approach

The Financial Services Council (FSC) welcomes the opportunity to consult with APRA on its proposed scope and approach for Phase 2 of the Superannuation Data Transformation Project.

The FSC understands the importance of having available and accessible high quality and comparable data on the superannuation industry, which is necessary for APRA in fulfilling its mandate by way of regulatory oversight, transparency and accountability of superannuation funds to ensure good member outcomes.

Overall, we would broadly agree with the scope and approach that APRA has set out. We emphasise that APRA has set an ambitious agenda. Success is conditional on APRA and industry participants working collaboratively and constructively to achieve a strong sense of co-ownership throughout the process.

The FSC strongly supports APRA's proposal to review all superannuation reporting standards including consideration of discontinuing redundant data collections. At the recent RSE Licensee Roundtable, APRA has further indicated that it intends to provide the timeframes for when existing reporting standards that overlap with the new Phase 1 reporting standards will be discontinued in its Phase 2 response paper expected at the end of June. We urge APRA to expedite the timeframes by which any redundant reporting standards and duplicate data fields are phased out. This will help to streamline existing workload including management of the expected operational and technology cost and to allow RSE licensees to focus their efforts on implementing Phase 2 of the project.

We note APRA's proposed approach to the pilot data collection and its discretionary powers to compel all entities or a sample of entities to submit by a specified date. While we understand and agree with the benefits that can be realised from a pilot data collection, the experience of our member superannuation funds was that pilot data collection under Phase 1 was a significant burden requiring the same amount of effort as would be required for actual mandatory reporting requirements. In our view, requiring all entities to submit pilot data should not be done unless absolutely necessary. The FSC would welcome a discussion around how industry can work to mitigate concerns, including lessons learned from submissions to Phase 1 so as to resolve this issue.

Our member superannuation funds also found that the value and therefore the incentive of

participating in the pilot largely depended on the degree of feedback APRA was able to provide to participating entities. Entities that were provided with feedback from APRA in response to the questions posed derived significant value from the exercise. We understand that APRA intends to continue providing feedback on pilot data collections on a thematic basis for Phase 2 and is considering whether APRA would be able to provide feedback to entities on pilot data collections on an individual basis. In our view, there would be merit in articulating a clear and consistent approach to providing entities with the feedback it can expect to receive. We also recommend that individual feedback be provided where APRA has chosen to exercise its powers to compel a selected sample of entities to provide pilot data.

We understand that APRA has indicated it is sensitive to data points that require a longer lead time and is open to receiving feedback in this area. The principle is that substantially the same or similar data will have an earlier implementation than areas that are new or where significant change is required. Topics that currently require a large degree of manual including collection non-financial risks and board governance should also be afforded a longer implementation timeframe. Another example involves collections that require data to be sourced from third parties.

The FSC and its members looks forward to further engagement with APRA on the Phase 2 topics in more details over the next 12 months.

If you would like to discuss this submission or have any questions, please contact at

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Yours sincerely,

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