



Response to Submissions

Reporting standards for superannuation


28 March 2013

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Preamble

APRA has, since 2011, been working to implement a range of prudential requirements for the superannuation industry in Australia, as part of the Government's Stronger Super reforms.¹ This has included introduction of prudential standards for superannuation, finalised in late 2012, and the release for consultation of draft prudential practice guides in 2012.

In September 2012, APRA released a discussion paper and 31 draft reporting forms covering a broad range of topics to implement its proposed reporting framework for superannuation. These proposals revised the reporting requirements for superannuation entities to implement Stronger Super reforms and update APRA's reporting requirements, which had remained unchanged since their introduction in 2004.

APRA invited comments on its proposals and received a significant number of submissions.

This paper describes APRA's response to the main issues raised in submissions on the September consultation package and outlines the final reporting requirements that will apply to the superannuation industry. Proposed final versions of the reporting standards, reporting forms and reporting instructions are released with this paper.

¹ <http://strongersupertreasury.gov.au/content/Content.aspx?doc=home.htm>

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Glossary

AASB ED 223	<i>Exposure Draft 223 Superannuation Entities</i> released in December 2011
ABS	Australian Bureau of Statistics
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
D2A	Direct to APRA
EPSSS	exempt public sector superannuation scheme
ERF	eligible rollover fund
FRLI	Federal Register of Legislative Instruments
FSCOD Act	<i>Financial Sector (Collection of Data) Act 2001</i>
OPERA Standards	Open Protocol Enabling Risk Aggregation Standards
OTC derivatives	over-the-counter derivatives
PDS	product disclosure statement
PST	pooled superannuation trust as defined in s. 10(1) of the SIS Act
Super System Review	<i>Review into the Efficiency, Governance, Structure and Operation of Australia's Superannuation System</i>
RSE	registrable superannuation entity as defined in s. 10(1) of the SIS Act
RSE licensee	a constitutional corporation, body corporate, or group of individual trustees, that holds an RSE licence granted under s. 29D of the SIS Act
SAF	a small APRA fund, being a superannuation entity that is a regulated superannuation fund within the meaning of the SIS Act and has fewer than 5 members
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
SIS Regulations	<i>Superannuation Industry (Supervision) Regulations 1994</i>
SMADF	a single member approved deposit fund, being a superannuation entity that is an approved deposit fund and which has only 1 member.
SPS 160	<i>Prudential Standard SPS 160 Defined Benefit Matters</i>
SPS 310	<i>Prudential Standard SPS 310 Audit and Related Matters</i>
Stronger Super	Government's response to the Review (December 2010) and additional information pack (September 2011)
VBI	vested benefits index

Final suite of reporting forms

Reporting forms	Commencement	Frequency	Audit
Reporting Form SRF 001.0 Profile and Structure (Baseline)	On registration	Annual	NA
Reporting Form SRF 114.0 Operational Risk Financial Requirement	1 July 2013	Annual	Reasonable
Reporting Form SRF 114.1 Operational Risk Financial Requirement	1 July 2013	Annual	Reasonable
Reporting Form SRF 160.0 Defined Benefit Matters	1 July 2013	Annual	NA
Reporting Form SRF 160.1 Defined Benefit Member Flows	1 July 2014	Quarterly	NA
Reporting Form SRF 161.0 Self-Insurance	1 July 2013	Annual	NA
Reporting Form SRF 250.0 Acquired Insurance	1 July 2013	Annual	NA
Reporting Form SRF 320.0 Statement of Financial Position	1 July 2013	Quarterly	Reasonable
Reporting Form SRF 320.1 Statement of Financial Position	1 July 2014	Annual	NA
Reporting Form SRF 330.0 Statement of Financial Performance	1 July 2013	Quarterly	Reasonable
Reporting Form SRF 330.1 Statement of Financial Performance	1 July 2014	Annual	NA
Reporting Form SRF 330.2 Statement of Financial Performance	1 July 2013	Annual	Limited
Reporting Form SRF 331.0 Services	1 July 2013	Annual	Limited
Reporting Form SRF 410.0 Accrued Default Amounts	1 July 2013	Quarterly	Limited
Reporting Form SRF 520.0 Responsible Persons Information	1 July 2013	Ad hoc, annual	Limited
Reporting Form SRF 530.0 Investments	1 July 2014	Quarterly	Reasonable
Reporting Form SRF 530.1 Investments and Investment Flows	1 July 2013 for 2013-14 only	Quarterly	Reasonable
Reporting Form SRF 531.0 Investments Flows	1 July 2014	Quarterly	Reasonable

Reporting forms	Commencement	Frequency	Audit
<i>Reporting Form SRF 532.0 Investment Exposure Concentrations</i>	1 July 2014	Quarterly	NA
<i>Reporting Form SRF 533.0 Asset Allocation</i>	1 July 2013 (MySuper) 1 July 2014 (Select investment options)	Quarterly	Limited
<i>Reporting Form SRF 534.0 Derivative Financial Instruments</i>	1 July 2014	Annual	NA
<i>Reporting Form SRF 535.0 Securities Lending</i>	1 July 2014	Annual	NA
<i>Reporting Form SRF 540.0 Fees</i>	1 July 2013	Annual	Limited
<i>Reporting Form SRF 600.0 Profile and Structure (RSE Licensee)</i>	1 July 2013	Annual	NA
<i>Reporting Form SRF 601.0 Profile and Structure (RSE)</i>	1 July 2013	Annual	NA
<i>Reporting Form SRF 602.0 Wind-up</i>	1 July 2013	<i>Ad hoc</i>	Reasonable
<i>Reporting Form SRF 610.0 Membership Profile</i>	1 July 2014	Annual	NA
<i>Reporting Form SRF 610.1 Changes in Membership Profile</i>	1 July 2014	Annual	NA
<i>Reporting Form SRF 610.2 Membership Profile</i>	1 July 2013	Annual	NA
<i>Reporting Form SRF 702.0 Investment Performance</i>	1 July 2013 (MySuper) 1 July 2014 (Select investment options)	Calendar quarter	Limited
<i>Reporting Form SRF 703.0 Fees Disclosed</i>	1 July 2013	<i>Ad hoc, annual</i>	Limited
<i>Reporting Form SRF 710.0 Conditions of Release</i>	1 July 2013	Annual	NA
<i>Reporting Form SRF 800.0 Financial Statements</i>	1 July 2013	Annual	Reasonable
<i>Reporting Form SRF 801.0 Investments and Investment Flows</i>	1 July 2013	Annual	Reasonable
<i>Reporting Form SRF 802.0 Fund Profile</i>	1 July 2014	Annual	NA

Executive summary

In September 2012, APRA released a discussion paper, *Reporting standards for superannuation*, 31 draft reporting forms and 20 sub-forms that proposed a new statistical collection for the superannuation industry (the September consultation package). These proposals reflected aspects of the Stronger Super reforms that have implications for APRA's reporting requirements and enhancements to APRA's current superannuation reporting requirements, which were introduced in 2004.

APRA received 29 submissions on its proposals from a wide range of stakeholders including RSE licensees, administrators, industry bodies, custodians, representatives of the life insurance industry, the Actuaries Institute and consulting firms. In addition to considering written submissions, APRA conducted industry seminars in major capital cities and held meetings with a range of stakeholders. APRA conducted four industry roundtables with representatives of the industry bodies in late January/early February to discuss the proposals covering investments, investment performance and insurance.

The submissions generally expressed support for enhancements to APRA's reporting collection, but raised a number of issues about the detail of the proposed approach. The primary issues raised in submissions related to the structure of the reporting collection, commencement dates, frequency of collection, timeliness of due dates and audit requirements. Submissions also indicated several topic areas where clarification or amendment was felt to be needed; these are addressed in this paper.

The final reporting requirements outlined in this paper, and provided in the reporting standards, forms and instructions released with this paper, are the result of this public consultation.

From 1 July 2013, APRA is introducing 35 reporting forms that replace the current reporting requirements. Once the legislative requirements for the product dashboard are finalised, APRA will release two additional forms relating to the content of MySuper product and choice product dashboards.

APRA is implementing a phased introduction of the new reporting requirements. Reporting forms that collect information relating to MySuper products, prudential requirements and RSE-level financial

statements will commence for the first applicable reporting period ending on or after 1 July 2013. Reporting forms related to defined benefit sub-funds and select investment options and the more detailed investment reporting will commence for the first applicable reporting period ending on or after 1 July 2014. As deferring the submission of some of these new reporting requirements to 1 July 2014 would leave a gap in APRA's statistical collections, a number of existing reporting forms will continue to apply for the 2013-14 year of income and will be revoked with effect from 1 July 2014.

Some reporting forms will be required to be submitted quarterly and some will be required to be submitted on an annual basis. A sub-set of the annual reporting requirements will be subject to audit.

APRA proposed revised due dates for reporting to APRA to improve timeliness of reporting. To give RSE licensees time to adjust their processes, APRA will continue the requirement to lodge annual returns four months after the end of the year of income and implement a three month due date for annual returns for years of income ending on or after 1 July 2015. APRA expects all RSE licensees to amend their processes to ensure they meet the revised submission timeframes by the first reporting date after 1 July 2015.

The scope of the quarterly reporting requirements has been reduced from the 31 reporting forms proposed in the September consultation package to only ten forms, with the quarterly detailed investments reporting being deferred to 1 July 2014. Accordingly, the quarterly reporting due date of 28 calendar days after the end of the quarter will apply for the first quarter ending after 1 July 2013.

The information required to be reported in relation to insurance, investments and investment performance has been substantially revised based on submissions and supplementary consultation with industry. The resulting reporting requirements in these areas do not compromise APRA's need for adequate information for prudential supervision, but address practical issues raised by submissions in regards to data item definitions and categorisations.

The information required to be reported in relation to the remaining topics is largely unchanged.

Chapter 1 – Introduction

APRA-regulated industries currently report comprehensive statistical data to APRA on a monthly, quarterly and annual basis. APRA publishes key information from these data collections. The objective of these collections and publications is to support APRA's prudential supervision and provide appropriate transparency and disclosure in relation to the operations of the industries it regulates. Achievement of these objectives benefits all industry stakeholders.

The Government's response to the recommendations of the *Review into the Efficiency, Governance, Structure and Operation of Australia's Superannuation System* (Super System Review) supported the delivery of better outcomes for members and their employers through a range of measures. These include enhanced requirements and responsibilities for superannuation trustees and providing APRA and other regulators with improved tools and powers.²

In September 2012, APRA released a discussion paper, *Reporting standards for superannuation*, which proposed a new statistical collection for the superannuation industry (the September consultation package). These proposals reflected aspects of the Stronger Super reforms that have implications for APRA's reporting requirements and enhancements to APRA's current superannuation reporting requirements that were introduced in 2004.

The key proposed reporting requirements included:

- collecting data for the RSE licensee, for each registrable superannuation entity (RSE) and, within each RSE, data for sub-funds, MySuper products and select choice investment options;
- expanded information about investments, including look-through of investment asset allocation and costs;
- information on MySuper products, including fees, costs and taxes associated with those products, and select choice option investment returns; and
- expanded information relating to defined benefit funds and sub-funds.

The final reporting requirements outlined in this paper and the proposed final reporting standards, forms and instructions are the result of significant public consultation. APRA has considered the issues raised in the submissions and discussions with industry and other stakeholders. In many instances, APRA's requirements have changed in light of the feedback provided.

This chapter outlines a number of issues relevant to the entire set of reporting forms, including the commencement and frequency of reporting, reporting levels, due dates for submission, audit requirements and wind-up reporting.

APRA will consult further on how APRA intends to publish the information reported to it under the new collection. This response paper, therefore, does not deal with feedback relating to the confidentiality of certain data items. Consultation will take place later in 2013.

Chapters 2 to 5 provide information relevant to specific reporting topics.

1.1 Commencement and frequency

In the September consultation package, APRA proposed that the new reporting requirements would be quarterly and would commence for all RSE licensees for the first reporting period ending on or after 1 July 2013. For an RSE with a balance date of 30 June, the requirements were proposed to commence for the 1 July 2013 to 30 June 2014 year of income. RSEs with a balance date prior to 1 July 2013 would be required to lodge returns for the 2012-13 year of income using the new reporting requirements. As such, the first quarterly information would have to be submitted for the quarter ending 30 September 2013.

² <http://strongersuper.treasury.gov.au/content/Content.aspx?doc=publications.htm>

Comments received

Submissions almost universally raised concerns about the proposed start date for reporting of 1 July 2013. Although many submissions recognised that elements of APRA's data collection, particularly those related to the Government's MySuper reforms, would have to commence in line with the commencement of MySuper on 1 July 2013, there were strong arguments put for some broad deferral of other new reporting requirements. Submissions suggested that the scope of the new requirements was too large for RSE licensees and other industry participants to be able to implement prior to 1 July 2013.

Submissions suggested a number of areas where the proposed information could not be provided on a quarterly basis or there would not be sufficient value in reporting it more frequently than annual. This was because information of the relevant type was collated only annually or the information was highly unlikely to change from quarter to quarter, making annual lodgement sufficient.

APRA response

APRA's view is that the revised collection at the RSE level is a moderate expansion on the current collection, which has been in place since 2004, and many of these changes were previously signalled to industry in consultation in May 2009.³

The MySuper reporting requirements are required under the relevant legislation, relate to only one type of investment product and, in APRA's view, will be reasonably straightforward to implement. Further, the majority of APRA's prudential standards for superannuation commence on 1 July 2013, with some prudential requirements already in force.

However, APRA acknowledges some of the concerns raised about implementation timeframes and has therefore adopted a staggered introduction of the revised reporting requirements. Reporting forms that collect information relating to MySuper products, prudential requirements and RSE-level financial statements will commence for the first applicable reporting period ending on or after 1 July 2013.

Reporting forms related to defined benefit sub-funds and select investment options and the more detailed investment reporting, however, will commence for the first applicable reporting period ending on or after 1 July 2014. A complete list of all forms, frequencies, commencement dates and audit requirements is included in Attachment A to this paper. The levels for the reporting requirements are discussed further below and in Attachments A and B.

As no feedback was received from RSE licensees with a balance date other than 30 June, the reporting requirements will apply to all RSEs from the first period ending on or after 1 July 2013. This means that, for these RSE licensees, the new reporting forms will have to be submitted for the 2012-13 year of income (subject to the more general deferral of certain forms until 2014), as proposed in the September consultation package.

The deferral of the submission of some new reporting forms to 1 July 2014 would leave a gap in APRA's statistical collections. Accordingly, a number of existing reporting forms will continue to apply for the 2013-14 year of income and will be revoked with effect from 1 July 2014. A summary of the existing forms and the date they will be revoked is listed in Attachment B.

APRA has also revised its proposals on reporting frequency. As a result, some reporting forms will be required to be reported only annually, including information about insurance, service providers, membership profile and the profiles of each RSE licensee and RSE. For financial statements information, APRA is requiring submission of RSE-level financial statements on a quarterly basis, and financial statements for sub-RSE levels on an annual basis. Frequency of reporting is discussed further in each chapter.

1.2 Collection of baseline information

Prior to the end of each reporting period, APRA issues a tailored set of reporting forms to each RSE to allow for more efficient reporting of information to APRA. APRA intends to continue this practice under the new reporting levels.

³ *Discussion Paper: Enhanced data collection for superannuation* (released 25 May 2009), www.apra.gov.au

As foreshadowed in the September consultation package, to allow for the release of forms to entities in a timely manner, APRA will need to collect certain baseline information regarding fund type, defined benefit sub-funds and investment options. This collection will use a new form, *Reporting Form SRF 001.0 Profile and Structure (Baseline)* (SRF 001.0), with submission of the information required within 28 calendar days of 30 April 2013. SRF 001.0 will also be required to be submitted on an annual basis within 28 days of 30 June, starting from 30 June 2014. The items on SRF 001.0 have been drawn from the versions of SRF 600.0 and SRF 601.0 that were released in the September consultation package.

Submission of SRF 001.0 will be mandatory and will require RSE licensees to report, for the entirety of its business operations, a list of their sub-funds, select investment options and the distinct stages in each MySuper product that adopts a lifecycle investment strategy. On an ongoing basis, RSE licensees will have to report any changes arising from new sub-funds or options being opened, or an existing investment option either meeting the reporting threshold or falling below it on SRF 001.0.

1.3 Reporting levels

In the September consultation package, APRA proposed that information would be reported at multiple levels: RSE licensee, RSE, sub-fund, MySuper product and select choice investment option. A broad definition of sub-fund was proposed and was designed to capture defined benefit, hybrid and pure accumulation sub-funds. A threshold was defined to determine which choice investment options would be reported to APRA. APRA's proposals were based, in part, upon suggestions from industry in recent years that more collections at the sub-fund and investment choice level would be useful.

Comments received

Submissions raised significant concerns about aspects of the sub-fund and investment option reporting, and some of the detailed requirements relating to investments reporting.

Submissions provided a number of suggestions about the definition of a sub-fund and the threshold for reporting choice investment options.

Submissions suggested the proposed definition of sub-fund was impractical in its application to pure accumulation sub-funds because of the discretion that RSE licensees can apply to the internal structures of their RSEs for the purposes of meeting the sub-plan requirements in the *Corporations Act 2001*.

Industry indicated that the threshold for reporting choice investment options was unclear as to whether it was the lesser of \$50 million or five per cent of net assets of the RSE. Submissions from large funds suggested the threshold of \$50 million was too low.

APRA response

APRA has revised the reporting levels that will apply, in particular refining the definition of a sub-fund to only refer to defined benefit sub-funds.

In order to provide clarity about reporting requirements for each type of entity and to ensure that entities are required to only complete those forms that are relevant to them, there are now eleven reporting levels.

The new reporting levels are:

- **RSE licensee:** an RSE licensee of an RSE within the meaning of s. 10(1) of the *Superannuation Industry (Supervision) Act 1993* (SIS Act). This includes where an RSE licensee has SAFs and SMADFs within its business operations;
- **RSE (non-defined benefit):** an RSE that does not contain any defined benefit interests and is not otherwise a pooled superannuation trust (PST), eligible rollover fund (ERF), SAF or SMADF;
- **Defined benefit RSE:** an RSE that has at least one defined benefit interest;
- **PST:** an RSE that is a pooled superannuation trust (PST) within the meaning of s. 10(1) of the SIS Act. Forms that require reporting about individual members (as opposed to institutional members) do not have to be completed for PSTs;

- **ERF:** an RSE that is an eligible rollover fund (ERF) within the meaning of s. 242 of the SIS Act;
- **SAF/SMADF:** an RSE that is a small APRA fund (SAF) or a single member approved deposit fund (SMADF) within the meaning of the SIS Act;
- **Sub-fund:** a defined benefit sub-fund within the meaning of *Prudential Standard SPS 160 Defined Benefit Matters* (SPS 160);
- **MySuper product:** a MySuper product, within the meaning given in s. 10(1) of the SIS Act;
- **MySuper investment option:** the investment option represented by the single diversified investment strategy underlying a MySuper product, as defined in s. 29TC(1)(a) of the SIS Act;
- **Lifecycle strategy stage:** a distinct stage of a lifecycle investment strategy, as determined by an RSE licensee, for a MySuper product as defined in s. 29TC(2) of the SIS Act. This will be required to be reported on SRF 001.0; and
- **Select investment option:** an investment option that meets APRA's criteria for reporting as outlined below.

1.3.1. Eligible rollover funds

APRA has not previously collected specific data on ERFs and proposed in the September consultation package that ERFs report all forms that apply to RSEs.

With the authorisation of, and enhanced trustee duties applicable to, ERFs from 1 January 2014 it is important that comparable requirements to those applying to MySuper products also apply to ERFs. APRA's revised position, therefore, is that ERFs be required to report a large number of the forms that apply to RSEs, but not all of them. The forms that will apply with respect to each ERF (and RSE licensees of ERFs) are outlined in Attachment A, including the reporting of SRF 702.0 for an ERF on an annual basis for the year of income ending 30 June 2014.

1.3.2. Small APRA funds and single member approved deposit funds

APRA proposed that certain reporting forms would be required for each SAF or SMADF, to be lodged on an annual basis.

Comments received

The main issues identified in submissions in relation to reporting by SAFs and SMADFs were the implications of look-through reporting, that there was a significantly larger data requirement for the annual submission and concerns about the impact that the combination of these two factors would have on timely submission of annual returns.

APRA response

APRA has adjusted the reporting requirements that will apply to SAFs and SMADFs to address the issues raised in submissions. The final reporting requirements include information about each RSE licensee's operations relating to SAFs/SMADFs, information at the RSE level that is common to all SAFs/SMADFs under the RSE licensee or is better presented in summary form and information that is specific to each SAF/SMADF.

Rather than requiring the submission of individual forms on discrete topics, APRA is introducing three SAF/SMADF-specific forms to maintain the clear distinction between SAF and non-SAF reporting. These new forms, which commence on 1 July 2013 and which will be required to be submitted on an annual basis, are SRF 800.0, SRF 801.0 and SRF 802.0.

1.3.3. Sub-fund reporting

APRA has revised the requirements for sub-fund reporting and will no longer require reporting of non-defined benefit sub-funds. From 1 July 2013, defined benefit sub-fund information will need to be reported on SRF 160.0 and SRF 320.1 on an annual basis. From 1 July 2014, SRF 330.1 and SRF 160.1 will be required on an annual and quarterly basis, respectively. The definition of defined benefit sub-fund in the reporting collection is aligned with the definition used in SPS 160.

1.3.4. MySuper products and lifecycle stage

Under the SIS Act, RSE licensees are permitted to seek authorisation of both MySuper products with a single investment strategy and those that adopt a lifecycle investment strategy. APRA's view is that whilst it is important to collect some information about each MySuper product as a whole, collection of information about investments and investment performance must be collected for each stage of a lifecycle investment strategy in order to be meaningful.

As a result, APRA will require reporting of two of the MySuper-specific reporting forms at the lifecycle strategy stage level – SRF 533.0 (asset allocation) and SRF 702.0 (investment performance). This means that if, for example, a MySuper product has four RSE-licensor determined lifecycle stages, the RSE licensee would be required to submit SRF 533.0 four times (once for each stage) with respect to that single MySuper product. If a MySuper product does not have a lifecycle investment strategy, SRF 533.0 would only have to be submitted once.

Note that SRF 330.2, SRF 540.0 and SRF 703.0 are required at the MySuper product level only, so will only have to be reported once for each MySuper product, regardless of whether that product has a lifecycle investment strategy.

1.3.5. Select investment options

In the September consultation package, APRA proposed that RSE licensees would be required to report 'select choice investment options' as:

- choice investment options that have more than \$50 million in assets or represent more than five per cent of total assets of the RSE;
- investments underlying defined benefit interests;
- investments underlying reserves; or
- default investment options (until July 2017 only).

APRA will maintain its threshold and definition for reporting select investment options, but has clarified how the definition will operate by putting in place a hierarchy of investment options.

To identify all select investment options, an RSE licensee will be required to identify all investment options within an RSE. As MySuper products will be required to be reported on specific MySuper reporting forms, any investment option that underlies a MySuper product will not be classified as a select investment option with respect to any MySuper interests. If the investment option covers non-MySuper interests, and those interests are greater than the threshold, then it will need to be reported as a select investment option in respect of the non-MySuper interests. For example, where an RSE has \$2 billion in total assets and a balanced option with \$1 billion in assets of which \$600 million represent MySuper interests and \$400 million represent non-MySuper interests, the balanced option would be a select investment option in respect of the \$400 million non-MySuper interests.

Of the investment options within an RSE, if the option meets any of the following criteria, it must be reported as a select investment option:

- underlies defined benefit interests;
- underlies a non-MySuper default option (until July 2017 only);
- underlies a reserve;
- has assets relating to non-MySuper interests greater than \$50 million at the end of the reporting period; or
- has assets relating to non-MySuper interests less than \$50 million but these assets represent more than 5 per cent of total RSE assets at the end of the reporting period.

This threshold will ensure that information about all investment options that could materially affect the operations of an RSE is reported to APRA.

For example, for an RSE with \$2 billion in assets, five per cent of assets is \$100 million. This means that all investment options with assets relating to non-MySuper interests over \$50 million must be reported as select investment options, in addition to all investment options underlying defined benefit interests, reserves or non-MySuper default options regardless of their size. For an RSE with \$500 million in assets, five per cent of assets is \$25 million. This

means that all investment options with assets relating to non-MySuper interests over \$25 million must be reported as select investment options in addition to all investment options underlying defined benefit interests, reserves or non-MySuper default options, regardless of their size.

1.3.6. Exempt Public Sector Superannuation Schemes

Exempt Public Sector Superannuation Schemes (EPSSSs) report data to APRA under the *Heads of Government Agreement: Exemption of Certain Public Sector Superannuation Schemes from the Superannuation Industry (Supervision) Act 1993*. In the agreement, State and Territory Governments agree that EPSSSs will comply with the principles of the SIS Act.

APRA proposed that an EPSSS report as if it was an RSE under the new reporting forms. APRA's original view was that, although an EPSSS could not have a MySuper product, to the extent that EPSSSs have sub-funds or investment options that meet APRA's criteria for select investment options, information about these products and options would also be reported to APRA.

No submissions were received with respect to these proposals. However, it is now apparent that many EPSSSs will have a product or option that has characteristics similar to a MySuper product. APRA will therefore request that EPSSSs complete all reporting forms that apply to RSEs including, where appropriate, those that relate to a MySuper-like product as well as a select investment option.

1.4 Due dates for reporting to APRA

At present, APRA's reporting framework requires that:

- quarterly forms be reported within 25 business days after the end of the quarter to which they relate, where the reporting quarter is based on the RSE's year of income; and
- annual forms be reported within four months after the end of the RSE's year of income.

APRA proposed to set reporting due dates on a calendar day basis rather than on a business day basis, with quarterly reporting to be submitted within 28 calendar days after the end of the quarter.

The current due dates for annual reporting mean that APRA is not in a position to complete analysis and publish annual audited information until around six months after the end of the relevant year of income. The current four-month lag also creates the situation in which information in the quarterly returns relating to the first quarter of the new year of income is required to be submitted to APRA before the audited annual information for the prior year is due.

1.4.1. Annual reporting

Submissions consistently indicated that annual reporting within three months of the end of the year of income, when this process also involves the audit of information to be lodged with APRA, would be impossible in the short term. This is largely because of the reliance on third parties to provide information to RSE licensees for the purposes of reporting to APRA, especially in the context of investments and insurance reporting.

Discussions with stakeholders during the consultation period provided greater detail on the steps that an RSE licensee must undertake prior to being able to lodge information with APRA.

APRA remains of the view that annual data must be reported in a timelier manner to ensure accurate information is used in the course of APRA's supervision and in the information that APRA publishes. As such, APRA will ultimately require submission of annual returns and the audit of those returns within three months of the end of each year of income to improve the timeliness of access to audited data for APRA, the industry and other stakeholders.

APRA acknowledges that the reduction in time to submit the annual returns may require operational changes for some RSE licensees. To give RSE licensees time to adjust their processes, APRA will implement this change for years of income ending on or after 1 July 2015. APRA expects all RSE licensees to amend their processes to ensure they meet the revised submission timeframes by the first reporting date after 1 July 2015.

1.4.2. Quarterly reporting

Submissions raised a number of concerns about the proposed reduction in time to submit quarterly returns to APRA. The issues raised focused primarily on the shorter timeframe to complete the increased reporting load when, at present, RSEs that are required to report quarterly have 25 business days within which to provide the information to APRA.

Submissions noted that shorter deadlines for submission would lead to decreased quality and accuracy of the data and, in some cases, an inability to include certain assets about which they would not receive timely data from third parties. The superannuation industry uses many third parties and a reduction in reporting timeframes would mean that contracts and service level agreements (e.g. with fund managers, custodians and administrators) would have to be renegotiated and that this would take time to achieve.

Concerns were also raised about the impact of the 28 calendar day period for the March and December quarters, where the number of effective business days could be reduced to 17 or 18 business days.

As the scope of the quarterly reporting requirements has been reduced from 31 reporting forms to only ten forms, with the detailed investments reporting being deferred to 1 July 2014, APRA considers that submission within 28 calendar days should be feasible for the majority of entities. Where an RSE licence is experiencing difficulty in transitioning to the new reporting due dates, APRA would be amenable to requests for a short extension, especially for the first reporting period.

To respond to concerns about inequity arising from differences between state-based public holidays, the due date requirements as included in the reporting standards released with this response paper confirm that if the last day on which an entity is required to submit information to APRA falls on a day other than a business day, the entity will be still required to submit the information no later than that day. This will ensure that the reporting dates are the same for all entities, regardless of the state from which the entity operates.

1.5 Audit of reporting requirements

APRA originally proposed to require the auditing of all reporting forms on a reasonable assurance basis.

In addition to seeking submissions on the September consultation package, APRA has also consulted with the audit profession and the Australian Assurance Standards Board about the scope for the audit of the new reporting forms.

Proposed final *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310) includes provisions, which will ultimately specify those reporting forms where reasonable assurance and limited assurance audits are required.

Following discussions with industry, APRA no longer intends to require a reasonable assurance audit of all of the reporting forms. Table 1.1 lists the reporting forms that will appear in Attachment A and Attachment B of SPS 310. The remaining 20 forms will not be subject to specific audit, but will instead be expected to be considered in the RSE auditor's review of the RSE licensee's internal processes required by paragraph 19(b)(iii) of SPS 310.

Table 1.1 Audit treatment of reporting forms

Attachment A of SPS 310 – reasonable assurance	Attachment B of SPS 310 – limited assurance
Reporting Form SRF 114.0 Operational Risk Financial Requirement	Reporting Form SRF 330.2 Statement of Financial Performance
Reporting Form SRF 114.1 Operational Risk Financial Requirement	Reporting Form SRF 533.0 Asset Allocation
Reporting Form SRF 320.0 Statement of Financial Position	Reporting Form SRF 540.0 Fees
Reporting Form SRF 330.0 Statement of Financial Performance	Reporting Form SRF 702.0 Investment Performance
Reporting Form SRF 530.0 Investments	Reporting Form SRF 703.0 Fees Disclosed
Reporting Form SRF 530.1 Investments and Investment Flows	
Reporting Form SRF 531.0 Investment Flows	
Reporting Form SRF 602.0 Wind-up	
Reporting Form SRF 800.0 Financial Statements	
Reporting Form SRF 801.0 Investments and Investment Flows	

As RSE licensees are still working to embed MySuper products within existing structures and processes, APRA's view is that a limited assurance of the Attachment B forms listed in Table 1.1 is appropriate for the immediate future. APRA's ultimate intention, however, is that these forms will be required to be audited on a reasonable assurance basis.

The approved audit form process will provide further opportunity to consult on refinements to audit requirements for the reporting forms if required.

1.6 Wind-up reporting

An RSE licensee is required under r. 11.07(3) of the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations) to notify APRA in writing of a decision or resolution to wind up an RSE. This notification must be given as soon as practicable after the making of the decision or resolution to wind up an RSE, and before the winding up is commenced (r. 11.07(4)).

An RSE can wind up for a number of reasons (e.g. consolidation, employer-sponsor takeover or liquidation and fund insolvency). The statistical reporting currently provided to APRA via the wind-up return is a full annual return reported at the end of the year of income during which the RSE wound up.

The September consultation package proposed that SRF 602.0 be reported to APRA within 28 days of winding up (i.e. on an *ad hoc* basis), report the method of winding up (successor fund transfer or member consent) and the name of the successor fund or default receiving fund.

Comments received

Submissions did not raise significant issues about SRF 602.0 but did raise some practical questions, including which forms from the new collection would be required to be submitted as part of the wind-up return.

APRA response

APRA's view is that in addition to SRF 602.0, which indicates where members have been transferred, other information that confirms that the RSE has no members, assets or liabilities must be reported to APRA to demonstrate that the RSE has been properly wound up. APRA considers that it is important to maintain the audit requirements for the final wind-up return, as the audit process provides additional confirmation that the wind-up has taken place and hence APRA can cancel the registration of the wound up RSE.

An RSE licensee of an RSE that winds up will not have to report all annual forms to APRA as part of the wind-up return. APRA will instead require a subset of forms to be lodged with SRF 602.0 and to be audited. These forms are listed in Table 1.2.

Table 1.2 Forms in the wind-up return

<i>Reporting Form SRF 114.0 Operational Risk Financial Requirement</i>
<i>Reporting Form SRF 114.1 Operational Risk Financial Requirement</i>
<i>Reporting Form SRF 160.0 Defined Benefit Matters</i>
<i>Reporting Form SRF 320.0 Statement of Financial Position</i>
<i>Reporting Form SRF 330.0 Statement of Financial Performance</i>
<i>Reporting Form SRF 602.0 Wind-up</i>
<i>Reporting Form SRF 610.1 Changes in Membership Profile</i>
<i>Reporting Form SRF 800.0 Financial Statements</i>
<i>Reporting Form SRF 801.0 Investments and Investment Flows</i>

The September consultation package suggested lodgement would be required 28 days after the winding-up date. Given that the accompanying forms need to be audited, however, this due date has been extended to allow time for the audit process. The wind-up return will need to be submitted within three months of the winding-up date for an RSE that is wound up on or after 1 July 2013.

If an RSE has not wound-up before the end of the year of income, the RSE licensee will need to submit an annual return for that year of income, and then submit the wind-up return for the following period to finalise the process.

1.7 Forms without substantive amendment

1.7.1. Operational risk financial requirement

Comments of only a minor nature were received in response to the proposed reporting requirements relating to the operational risk financial requirement in SRF 114.0 and SRF 114.1.

APRA intends to issue final versions of SRF 114.0 and SRF 114.1 with only minor amendments to include information on distribution of surpluses.

1.7.2. Responsible persons information

Submissions did not comment on proposed SRF 520.0. APRA intends to issue this form without significant amendment. Minor changes have been made to SRF 520.0 to include reporting of the employer of the responsible person, as the employer will not always be the RSE licensee.

1.8 Structure of reporting forms

Submissions expressed some confusion as to what information APRA was proposing to require for its purposes as opposed to information that it may be collecting for the purposes of the Government or another agency. Submissions requested greater clarity as to the purpose behind the collection of certain items.

To provide this clarity, APRA has significantly rearranged the structure of the reporting collection.

APRA has now numbered reporting forms that are collected primarily for non-prudential supervision purposes in a new SRF 700 series. Forms primarily relating to disclosure or publication are located in the SRF 700 forms.

The restructure of reporting obligations in this way does not limit the use of the data collected. It is important to note that form demarcation does not alter each reporting entity's legislative obligations to provide timely and accurate data on all forms. Nor does this demarcation alter APRA's statistical and supervisory intent to ensure a complete, timely and accurate collection.

Subsequent to the September consultation, the Australian Bureau of Statistics (ABS) has identified the need for further revisions to the data items that APRA collects for the purpose of generating the National Accounts. There will, therefore, be a separate consultation on these data items over the coming months, with a view to introducing new data items for the ABS's purposes for reporting periods ending on or after 1 July 2014. Prior to that time, APRA will continue to provide information to the ABS from the existing versions A and B of *Reporting Form SRF 110.1 Selected Disclosure of Investments* (completed on the current quarterly basis by RSEs with over \$50 million in assets) and new forms SRF 320.0, SRF 330.0 and SRF 530.1.

1.9 Accounting standards

APRA's proposals in the September consultation package aligned with the proposals in *Exposure Draft 223 Superannuation Entities* (AASB ED 223), which was released in December 2011. At that time, it was expected that AASB ED 223 would apply to the 2014-15 year of income.

As AASB ED 223 is yet to be finalised and the Australian Accounting Standards Board has indicated that its introduction will be deferred to the 2015-16 year of income at the earliest, APRA has aligned the final reporting requirements with the current AAS 25 *Financial Reporting by Superannuation Plans*.

1.10 Next steps

The reporting standards, forms and instructions released in conjunction with this response paper represent APRA's final position. The Superannuation Legislative Amendment (Service Providers and other Governance Measures) Bill 2012 contains a small number of legislative amendments that are relevant for APRA's reporting collection.

Further, APRA has commenced, and will continue the development of forms into the 'Direct to APRA' (D2A) system to ensure that all forms representing reporting obligations that commence for periods ending on or after 1 July 2013 will be available in D2A before the obligations commence on 1 July 2013.

APRA intends to release the final reporting taxonomy, containing all of the data items and data definitions, no later than July 2013.

The reporting standards, forms and instructions will be registered on the Federal Register of Legislative Instruments (FRLI) prior to the commencement of the reporting requirements on 1 July 2013.

APRA does not intend to make any changes to the policy positions reflected in the proposed final reporting requirements. It is possible, however, that the processes involved in building the forms into D2A and the development of the taxonomy may result in minor adjustments to the structure and layout of forms, or the names or definitions of data items. APRA will communicate the extent and nature of any such clarifications once the final reporting requirements are registered on FRLI.

Chapter 2 – Investments

APRA proposed, in the September consultation package, a series of seven reporting forms relating to the financial position and performance of investments, including 20 sub-forms. This series of forms proposed to collect investments information at the RSE, MySuper product and select investment option levels to assist in understanding the return and risk characteristics of the investment strategies present in RSEs and investment options.

2.1 Revised structure of investments forms

APRA has substantially revised the proposed reporting forms relating to investments, as illustrated in Table 2.1.

APRA has reduced some of the proposed regular reporting via D2A but it still expects RSE licensees to fully understand the nature and details of all investments, especially those large investments offered through investment vehicles, investments domiciled overseas and use of derivatives. APRA is likely to ask for additional investments information on an *ad hoc* basis, for example, as part of prudential reviews. RSE licensees need to be able to provide this additional information. APRA will also continue to liaise with industry on the information able to be provided about investment activities and will consider the need for regular reporting of greater granularity in future.

Table 2.1 Revised investments forms

Name	Level	Frequency	Commencement	Audit
<i>Reporting Form SRF 530.0 Investments</i>	RSE	Quarterly	1 July 2014	Reasonable
<i>Reporting Form SRF 530.1 Investments and Investment Flows</i>	RSE	Quarterly	1 July 2013 for 2013-14 only	Reasonable
<i>Reporting Form SRF 531.0 Investments Flows</i>	RSE	Quarterly	1 July 2014	Reasonable
<i>Reporting Form SRF 532.0 Investment Exposure Concentrations</i>	RSE	Quarterly	1 July 2014	NA
<i>Reporting Form SRF 533.0 Asset Allocation</i>	MySuper investment option, select investment option	Quarterly	MySuper options: 1 July 2013 Select investment options: 1 July 2014	Limited – (MySuper only)
<i>Reporting Form SRF 534.0 Derivative Financial Instruments</i>	RSE	Annual	1 July 2014	NA
<i>Reporting Form SRF 535.0 Securities Lending</i>	RSE	Annual	1 July 2014	NA

2.1.1 Commencement, frequency and structure of investments reporting

The September consultation package proposed that all reporting requirements, including those in the 530 series, would commence on 1 July 2013.

Comments received

Submissions supported APRA's goal of obtaining greater transparency about investments across the superannuation industry but indicated that the full extent of the data requested would not be able to be reported for some time.

Submissions also expressed concerns about some of the proposed level of detail in the investments information. Some submissions indicated that some of the information may not be available or may take significant effort to collate from third parties. There were also concerns about the costs of providing information.

APRA response

APRA intends to implement the proposed detail in its collections. APRA is aware, however, that RSE licensees may not have previously collected these details, and thus it is reasonable to defer the commencement of some detailed reporting to APRA.

APRA has also revised its proposals for the commencement and frequency of investment reporting obligations. Summary investment information, covering both financial position and financial performance, will be required to be reported at the whole-of-fund level for all quarterly periods ending on or after 1 July 2013. This information will be required to be submitted on SRF 530.1, which is a transition form required only to be completed for the 2013-14 year of income. RSE licensees that have authorised MySuper products (including those with lifecycle investment strategies) will also be required to submit SRF 533.0 on a quarterly basis. The remaining investment reporting has been deferred to 1 July 2014.

From 1 July 2014, therefore, RSE licensees will be required to report the more detailed information on revised SRF 530.0 and SRF 531.0 on a quarterly basis in place of SRF 530.1. SRF 533.0 will continue to apply to MySuper products and lifecycle stages, but will also apply to select investment options from 1 July 2014 and will continue to be required to be submitted on a quarterly basis. Finally, SRF 532.0, SRF 534.0 and SRF 535.0 will commence for reporting periods ending on 1 July 2014, with SRF 532.0 to be submitted quarterly and SRF 534.0 and SRF 535.0 to apply on an annual basis only.

2.2 Other issues raised during consultation

2.2.1 Definition of asset classes

The ten asset classes proposed by APRA in the September consultation package were:

- cash;
- Australian debt;
- international debt;
- Australian listed equity;
- international listed equity;
- unlisted equity;
- property;
- infrastructure;
- commodities; and
- other.

APRA's intention was to align definitions in its reporting collection with broad asset classes commonly used by the superannuation industry.

Further, APRA proposed that hedge funds be treated as an investment vehicle, not an asset class. This approach was adopted to allow the reporting of underlying investments in hedge funds.

Comments received

Submissions generally agreed with APRA's focus on key common asset classes but suggested that APRA's proposed asset classes required refinement, as some important asset classes had been excluded. Industry also expressed a strong preference that APRA's asset class categories align with the asset classes currently reported to ratings houses (while at the same time noting that there is little alignment between the approaches taken by different ratings houses). Without alignment, an RSE licensee or its custodian would, the submissions argued, need to significantly restructure their systems (and require their investment managers to do the same) to be able to report on asset classes as proposed. Some submissions suggested separating 'credit' from 'debt' to create a distinct asset class to reflect existing industry practice.

Submissions also expressed concerns about the proposed asset class definitions lacking specificity as this could give rise to ambiguity, with a real risk that different RSE licensees will report the same investments in different ways.

Submissions suggested that the majority of the industry consider hedge funds to be an asset class. Further, industry brought to APRA's attention the Open Protocol Enabling Risk Aggregation Standards (OPERA Standards), which provide an internationally-accepted approach to performance and risk reporting on hedge funds.

APRA response

APRA's aim is to capture industry practice by using asset classes that meaningfully separate investments with different characteristics. Following discussions at industry roundtables to clarify definitions, APRA has revised the asset classes used on SRF 530.0, SRF 530.1, SRF 531.0 and SRF 533.0. The revised asset classes are illustrated in Attachment C.

The changes to the asset classes are designed to better align with current non-APRA reporting by an RSE licensee, especially regarding debt, property and infrastructure. APRA expects that the level of granularity, therefore, should be readily available. Finally, hedge funds are to be reported in the

'other' class and specific hedge fund reporting will be collected in line with the OPERA standards on SRF 532.0 from 1 July 2014.

2.2.2 Extent of look-through requirements

Indirectly held investments are typically held as units in an investment vehicle. APRA now has specific powers under s. 13(4A) of the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act) to collect more complete data on the investments and costs of superannuation entities by looking through the vehicles used to invest the assets of the RSE. APRA proposed that RSE licensees be required to look through the units held to report the asset classes and asset types comprising the underlying investment holdings of those investment vehicles.

Draft SRF 530.0 and SRF 531.0 proposed to require look-through reporting of investments by asset class. Draft SRF 530.0 also required look-through reporting of asset types within asset classes.

Comments received

Submissions expressed significant concerns about looking through investment vehicles to the underlying asset classes of those vehicles. This is because, generally, only information about the number of units held in investment vehicles is available, not the composition of the underlying investments.

Whilst submissions expressed confidence that they would eventually be able to comply with the requirements, industry indicated that they would not be able to comply with reporting on a look-through basis from 1 July 2013. This is because the information is often held by third parties, both in Australia and offshore, meaning that, at a minimum, certain contracts would have to be re-negotiated to allow reporting of the required detail to APRA.

APRA response

APRA considers that it is important for an RSE licensee to understand, and be able to report on, investments within investment vehicles. It is, therefore, maintaining the requirement for look-through reporting on asset classes within investment vehicles.

APRA will collect more summarised information about investments within investment vehicles on SRF 530.1 for the 2013-14 year. From 1 July 2014, SRF 530.0, SRF 531.0 and SRF 532.0 will require looking through to asset classes within investment vehicles, with less granularity within those asset classes than for directly held investments.

APRA has also simplified SRF 531.0 by removing the sub forms and collecting only the content of proposed SRF 531.0A, and removing reporting of movements in investment vehicles.

2.2.3 Investment exposure concentrations

SRF 532.0 proposed that all investments that represent more than five per cent of assets within an asset class be reported as large exposures, regardless of the proportion of assets invested in an asset class. For example, if five per cent is allocated to the property asset class, all investments in that class that are more than 0.25 per cent of the total assets of the fund would be reported.

Comments received

Whilst industry has reported large exposures at the RSE level to APRA under current reporting requirements, submissions suggested that the proposal to apply a second materiality threshold within an asset class would result in the collection of information about immaterial holdings.

APRA response

APRA has revised the materiality threshold to provide an appropriate balance between sufficient transparency of concentrations within asset classes and the costs of reporting. An RSE licensee will now be required to report all exposures that are more than one per cent of total RSE assets.

2.2.4 International investments

For international investments, where there would be capacity to collect information on a look-through basis, APRA proposed that both the country of domicile of the investment vehicle and country of domicile of the underlying investments be reported on SRF 532.0. The purpose of this reporting was to provide information on both the location of investment managers (to identify risks associated with the jurisdiction of investment managers) and the countries to which an RSE has an economic exposure.

Comments received

Submissions highlighted difficulties in reporting the international domicile of an investment, especially where the specific country of the investment is not immediately apparent. Submissions suggested instead that an RSE licensee be permitted to report the name and the type of multi-national investment for investments in large multi-asset class/multi-national investment vehicles.

APRA response

APRA considers that there are particular risks involved for an RSE licensee engaging investment managers based in jurisdictions outside Australia and undertaking international investments. APRA expects an RSE licensee to have a sound understanding of international investments and associated risks, and thus be able to report on relevant exposures. To balance the need for effective information about international investments with an appropriate level of regular reporting, however, APRA has adjusted the requirements relating to international investments.

The data to be collected on SRF 532.0 provides sufficient information about international investments for APRA's supervisors to undertake a high-level assessment of the international activities that form part of an RSE's investment portfolio. APRA will request further information about international investments on an *ad hoc* basis if required for prudential supervision purposes.

APRA is maintaining the requirement for an RSE licensee to report the domicile of an investment vehicle. APRA has adjusted the reporting on the domicile of investments so that an RSE licensee is required to identify whether the investment vehicle is global, or in a particular region (as defined in the instructions to the form) or in a single country.

As the names of investment vehicles often indicate the region of the investment (i.e. the name includes the name of the single country or the region), this information should, in many instances, be available to an RSE licensee or custodian.

This limited reporting would only apply where the vehicle was not associated with the RSE licensee. Investments in associated vehicles fall within the scope of the new look-through powers in the FSCOD Act and the RSE licensee will be required to report on these multi-asset type investments on a look-through basis.

APRA will continue to liaise with industry on the information able to be provided about international investments and consider the need for greater granularity in future.

2.2.5 Derivatives

For derivatives, APRA proposed to extend the current derivatives reporting requirements to provide more information on the types of derivative instruments used and a listing of holdings in over-the-counter derivatives (OTC derivatives).

Comments received

Submissions highlighted difficulties in reporting the detailed information about the types of derivative instruments and suggested that an annual submission of information would be more appropriate.

Submissions suggested that beneficiaries may not find the derivatives information collected by APRA useful and questioned whether APRA would publish this information.

APRA response

To balance the need for detailed information about derivatives with an appropriate level of regular reporting, APRA has adjusted the reporting requirements relating to derivatives. SRF 534.0 will be reported annually, not quarterly. APRA has removed the proposal to require reporting of derivatives held within investment vehicles and revised other proposals; for example, instead of the individual listing of each OTC derivative, APRA is now requiring listing of the ten largest OTC derivative counterparties (aggregated over all OTC derivatives). APRA's supervisors will use the information reported on SRF 534.0 to identify where it may wish to seek further detail about a particular derivative arrangement.

As with reporting about international investments, APRA will continue to liaise with industry on the derivatives information to be provided to APRA and will consider the need for greater granularity in future.

Chapter 3 – Investment performance and fees

APRA proposed, in the September consultation package, four reporting forms (in the SRF 537 and SRF 538 series) to collect information related to the product dashboard, investment performance and fees disclosed and paid. These proposals were to enable APRA to collect data to fulfil its legislative obligations under s. 348A of the SIS Act to publish information on MySuper products and provide transparency on performance and a product dashboard for select investment options.

3.1 Product dashboard requirements

Amendments are expected to be made to the product dashboard provisions in the SIS Act to allow the detailed requirements to be expressed in regulations. The Government is continuing to consult with industry about the items to be included on the product dashboard. APRA will ultimately reflect the Government's position regarding the product dashboard items in *Reporting Form SRF 700.0 MySuper Product Dashboard* (SRF 700.0) and *Reporting Form SRF 701.0 Choice Product Dashboard* (SRF 701.0). As the Government's position is not finalised, APRA has not released SRF 700.0 and SRF 701.0 with this response paper but will do so as soon as practicable.

3.2 Revised structure of investment performance forms

APRA has restructured and renumbered the reporting forms that collect information about the investment performance of RSEs, MySuper products and select investment options, as set out in Table 3.1. To better identify Information that is to be collected primarily for publication or disclosure purposes, APRA has now created the new SRF 700 series of forms (SRF 702.0 and SRF 703.0), with information relating to fees paid from both the RSE and MySuper products in each RSE moving to the new SRF 540.0.

Table 3.1 Revised investment performance forms

Name	Level	Frequency	Commencement	Audit
<i>Reporting Form SRF 540.0 Fees</i>	RSE, MySuper product	Annual	1 July 2013	Limited
<i>Reporting Form SRF 702.0 Investment Performance</i>	MySuper investment option, select investment option	Calendar quarter	MySuper options: 1 July 2013 Select investment options: 1 July 2014	Limited (MySuper only)
<i>Reporting Form SRF 703.0 Fees Disclosed</i>	MySuper product	<i>Ad hoc</i> , annual	1 July 2013	Limited

3.2.1 Commencement and frequency of reporting

The September consultation package proposed that all investment performance reporting requirements would commence from 1 July 2013, with the first quarterly form due to be submitted after 30 September 2013.

Comments received

Most submissions recognised that MySuper-relevant forms need to commence on 1 July 2013 as proposed, but requested deferral of other forms, especially those relating to choice investment options, given that the product dashboard requirements for choice products only commence from 1 July 2014.

APRA response

Forms relating specifically to MySuper, namely, SRF 703.0 and SRF 540.0, will commence on 1 July 2013. SRF 540.0 will also commence on 1 July 2013 to collect information about fees paid out of each RSE. SRF 702.0, which will collect information about investment performance for each calendar quarter, will commence for MySuper products on 1 July 2013, but will not commence for select investment options until 1 July 2014.

3.3 Other issues raised during consultation

3.3.1 Determining quarterly fees and costs for SRF 702.0

APRA proposed that investment performance be reported to APRA on a quarterly basis on SRF 537.0, with both the net investment return (that is, the return net of all investment fees, costs and taxes) and the net return (that is, the return net of all investment and administration fees, costs and taxes) to be reported for each MySuper product and each select choice investment option.

Comments received

Submissions expressed significant concerns about the viability of reporting accurate and meaningful information about fees and costs on a quarterly basis at the level proposed by APRA, information which APRA is required to publish by s. 348A of the SIS Act, as practice is often for these measures to be determined and measured only on an annual basis.

This is because fees and costs, especially administration fees and performance fees, are only reported to the RSE licensee on a confirmed basis annually; whereas reporting on an accruals basis only is undertaken more frequently. Discussions at industry roundtables prior to finalisation of the requirements suggested that quarterly estimates of fees and costs could be provided, if there were clear instructions on the basis of reporting (e.g. accrued versus actual fees).

APRA response

With respect to investment performance information, APRA intends to collect both net returns and net investment returns, so that a return net of investment fees and costs is clearly identified separately from a return net of both investment and administration fees and costs. Investment performance information will be calculated for a representative member with a \$50,000 balance who makes \$5,000 in contributions but is otherwise passive and is fully invested in a single investment option or MySuper product.

As APRA is requiring investment performance to be reported to it on a quarterly basis (meaning fees and costs must also be determined quarterly), an RSE licensee must have a process in place for calculating quarterly fees and costs to facilitate quarterly reporting on SRF 702.0 as required by *Prudential Standard SPS 530 Investment Governance*.

SRF 702.0 will be required to be submitted for each calendar quarter.

3.3.2 Fees, costs and taxes

In the September consultation package, APRA proposed that fees be collected across four forms as part of reporting net return information: SRF 537.0 (annual investment fees including embedded investment costs), SRF 537.1 (quarterly investment fees including embedded investment costs), SRF 538.0 (product disclosure statement (PDS) fees) and SRF 538.1 (fees paid).

For the net return of MySuper products, APRA proposed that the calculation be net of both investment fees and administration fees and respective taxes. Activity-based fees (switching fees, exit fees and all other activity-based fees) were to be excluded from the calculation methodology because they do not apply to all members. The proposals did not explicitly state whether buy-sell spreads should be excluded. Advice fees and insurance fees were not covered in the proposals as they were only subsequently added to the list of permissible fees in the provisions in the *Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Act 2012*.

Comments received

Submissions indicated strong support for the proposal to capture fees and costs associated with net returns but also raised a significant number of concerns about how fees, costs and taxes should be reported to APRA. There was considerable interest shown in APRA's collection being used as an opportunity for industry to develop a consistent practice across industry by correcting known deficiencies in current fee and cost disclosure. Submissions requested clarification of definitions to prevent discretion in the reporting of fees.

The most frequent comment made in submissions was that, as a number of the fee categories would be charged per member rather than per investment option, it would be more sensible to collect this information at the whole-of-fund level rather than the investment option level. Specifically, only investment fees can be readily reported at the investment option level.

Submissions also raised concerns about the reporting of insurance premiums and fees. Some submissions supported SRF 538.0 and commented that the proposed insurance premium table was a reasonable attempt to collect standardised information on a complicated topic. A number of submissions, however, opposed the proposed table, indicating that there would not be one single premium rate for each representative member in the table, particularly in cases where there are different employee groups in multi-employer RSEs.

Industry roundtables discussed the fee, cost and tax categories and provided suggestions to clarify definitions to assist with consistent reporting of each type of fee, cost and tax across the industry.

APRA response

The terms 'fees', 'costs' and 'expenses' are used in a range of ways by different industry participants, which resulted in some confusion as to how APRA's requirements would apply in practice. APRA has, therefore, clarified the definitions of these terms as they will apply in its reporting collection as follows:

- **fee:** means an amount that is directly charged to a member and will form part of the fee disclosure required in PDSs;
- **cost:** means an indirect or embedded amount that the RSE licensee draws from members; these may or may not be disclosed and can take the form of a deduction from a member's return, contributions or balance; and
- **expense:** means the amount that the RSE licensee incurs in operating the fund.

APRA acknowledges that reporting fee allocation across investment options does not align with current industry practices and is not straight forward for some types of fees. The new fee rules for MySuper products, however, will require an RSE licensee to have some processes for apportioning fees in respect of these products. An RSE licensee will, therefore, be required to report on SRF 540.0 all fees relating to MySuper products in addition to all fees at the RSE level.

For the reporting of investment performance on SRF 702.0, investment fees will be split into base fees and performance fees to better reflect the variable nature of investment fees and incorporate the Stronger Super focus on performance fees. The definitions of these items are drawn from s. 29VD of the SIS Act.

As a buy-sell spread reflects transaction costs involved in the receipt of contributions or the making of benefits payments, buy-sell spreads should be captured in the item relating to 'other indirect investment costs' so will not be separately reflected in the calculation of a net return on SRF 702.0.

In order to enable it to publish fees in a comparable way and incorporate administration fees and costs into a net return calculation, APRA will also collect fees based on a representative member. The 'representative member' parameters align with the PDS definition i.e. a member with an account balance of \$50,000 and annual contributions of \$5,000. Further, as administration fees can also be charged in an embedded way, the reporting requirements include similar look-through information on administration fees and costs to that proposed for investment fees and costs.

As advice fees (for intra-fund advice only) are a permissible fee category and will be able to be charged consistently across the entire MySuper membership, advice fees are incorporated into the net return calculation. Other advice-related fees that do not meet the definition of 'intra-fund advice' in the SIS Act will be required to be excluded from the net return calculation.

APRA acknowledges that an insurance fee, which incorporates both insurance premiums and insurance administration fees, is difficult to incorporate in the net return calculation because it is highly unlikely that there will be an 'average' member insurance experience. This is because of the flexibility that the legislation permits in insurance offerings in MySuper. As a result, while RSE licensees will still be required to report insurance fees and premiums to APRA, and present them in a comparable way, they will not to be taken into account in calculating net return.

Chapter 4 – Insurance

APRA proposed, in the September consultation package, reporting of information about both acquired insurance arrangements and self-insurance arrangements.

4.1 Revised structure of insurance forms

APRA has significantly updated the content of the reporting forms that collect information about the insurance arrangements of RSE licensees, as outlined in Table 4.1.

Table 4.1 Revised insurance forms

Name	Level	Frequency	Commencement	Audit
<i>Reporting Form SRF 161.0 Self-Insurance</i>	RSE	Annual	1 July 2013	NA
<i>Reporting Form SRF 250.0 Acquired Insurance</i>	RSE	Annual	1 July 2013	NA

4.1.1 Commencement, frequency and structure of insurance reporting

The September consultation package proposed that SRF 250.0 and SRF 161.0 be reported quarterly for each RSE and each sub-fund, with the quarterly reporting designed to align with the insurance information reported on SRF 330.0 (financial performance).

Comments received

The proposed collection of insurance information on a quarterly basis was highlighted as running counter to existing industry practices. Submissions argued that it would make more sense for this information to be reported on an annual basis as quarterly lodgement would require numbers to be estimated solely for the purpose of reporting to APRA.

Further, as an RSE licensee traditionally manages its acquired insurance arrangements on a whole-of-fund basis, reporting on a sub-fund (or other sub-structure basis) would involve changes to business and accounting approaches solely for the purpose of reporting to APRA.

APRA response

SRF 250.0 and SRF 161.0 will now be required to be submitted annually for each RSE, while quarterly summary insurance administration expense information will be collected on SRF 330.0.

APRA expects that RSE licensees should be able to access information about expenses associated with the administration of insurance arrangements by insurance type (i.e. life insurance, total and permanent disability insurance, income protection insurance and other forms of insurance) on an annual basis. SRF 250.0 and SRF 161.0 both commence for annual periods ending on or after 1 July 2013 as this information is important for APRA's prudential supervision of new requirements in the prudential standards, which take effect on 1 July 2013. SRF 161.0 will now also be required to be reported at the RSE level only.

4.2 Other issues raised during consultation

4.2.1 Reporting on insurance policies

In the September consultation package, SRF 250.0 included reporting on member insurance coverage, detailed insurance transactions, claims experience and insurance policies and providers.

Comments received

Submissions noted that an RSE licensee can acquire insurance in a number of ways, namely by acquiring a single group insurance policy covering all members, multiple group insurance policies to reflect different groups of members in an RSE or individually underwritten insurance contracts for individual members.

Industry queried whether SRF 250.0 was designed primarily for reporting on group insurance policies (i.e. the first two scenarios) as it did not consider the reporting of information about individually underwritten insurance cover. Submissions also indicated that collecting the value of insurance coverage as the aggregate maximum cover for members of a given insurance cover type would not provide a true reflection of the level of insurance in the fund.

APRA response

SRF 250.0 has been significantly amended to separate group insurance policies and individual member policies. This will allow more appropriate reporting about the insurer(s) involved in an RSE licensee's insurance arrangements.

Amended SRF 250.0 will collect detailed information about group insurance policies. Given that an RSE licensee may maintain a large number of group insurance policies, item 1 requires reporting only on those group insurance policies that represent more than five per cent of the RSE's membership holding insurance cover. For each of these group insurance policies, an RSE licensee will have to report:

- the insurance provider's details, insurance policy number and type(s) of insurance cover provided under the group policy;
- premiums paid to the insurance provider (broken down by paid by RSE licensee, paid out of the RSE and paid by employer sponsor) for each type of cover; and
- the number of member accounts with each type of cover, the aggregate insurance cover of those members, premiums collected and any rebate income paid by the insurer to the RSE licensee in respect of those members.

The remaining group policies must then be reported on a 'per insurer' basis in item 2, with the aggregation of all remaining group policies of each insurance type for each insurer.

SRF 250.0 also collects information about individual member insurance policies on an aggregated, per-insurer basis. As an RSE licensee might have a wide

range of individual policies with insurers, especially where new members have been permitted to carry their existing insurance arrangements into the RSE, an RSE licensee will be required to report only those insurers providing individual insurance policies that on aggregate comprise more than five per cent of all members who are not covered by group insurance policies.

Expenses associated with the administration of insurance arrangements aggregated across all insurers with which the RSE licensee has such arrangements, will be collected on SRF 330.0 on a quarterly basis but will not be required to be reported on SRF 250.0.

4.2.2 Claims information

The September consultation package proposed the collection of detailed claims information, including the value of claims in progress.

Comments received

Whilst submissions recognised that the detailed claims information was designed to support *Prudential Standard SPS 250 Insurance in Superannuation (SPS 250)*, they indicated that the proposed table would be difficult to complete because of the inherent uncertainty about valuation of claims until they are paid, the involvement of multi-year processes in the making and settling of life and total and permanent disability claims and the complex nature of certain claims. Further, estimated dollar amounts associated with specific steps in the claims process would need to be reported to APRA.

APRA response

The information to be reported about claims experience in SRF 250.0 has been adjusted to require reporting on both point-in-time information about claims activity and cumulative claim amounts paid over the year, recognising that some valuations will be estimated. RSE licensees will be required to report:

- the number of claims that have been incurred but not reported to the insurer and the number of claims reported but not admitted by the insurer at year end; and

- the number and actual dollar value of claims that have been admitted by the insurer but not yet paid, claims paid relating to new claims during the current year, claims paid relating to claims from previous years and provision for claims payments in progress.

Whilst an RSE licensee (and its administrator) may be able to access information about the actual number of claims made and what stage they are at in the claims management process, they do not always have access to actual values to be attributed to claims at a given point in time.

APRA's view is that information about the estimated and actual dollar value of claims admitted by the insurer must be reported to APRA to provide a full picture of the claims experience of the RSE licensee. As such, an RSE licensee will be required to report on claims using the most accurate information at its disposal. This may be information it holds internally as estimates, but most often will come from the insurer. An RSE licensee will be encouraged to seek estimated and actual claims values from insurers if it is not already doing so.

Where an insurance policy has ceased but there are likely to be future insurance claims under that policy, SRF 250.0 will require the ongoing reporting of these claims on an annual basis. This will necessitate the RSE licensee seeking the necessary claims information from previous insurers to ensure that reporting is complete and accurate.

The split between claims commenced in the current reporting period and those commenced in a previous reporting period will be reported according to when the claims were reported to the insurer.

4.2.3 Self-insurance information

In the September consultation package, SRF 161.0 mirrored the content of SRF 250.0 for reporting on self-insurance. Quarterly reporting was proposed for all RSEs and sub-funds.

Comments received

In addition to the comments about SRF 250.0 in relation to provisions that also appear in SRF 161.0, the main issues raised in submissions on SRF 161.0 included:

- how information about 'other arrangements' (now permitted in proposed final SPS 160 as an alternative to the proposed requirement to hold self-insurance reserves) should be reported on the form, particularly where reserves are managed on a whole-of-RSE, not a sub-fund, basis;
- a lack of clarity in the reference to 'reinsurance' and suggestions that the form refer instead to stop loss cover and catastrophe cover; and
- that annual reporting on self-insurance arrangements would be sufficient because there is rarely enough movement in self-insurance arrangements within a 12-month period to warrant quarterly reporting.

APRA response

SRF 161.0 has been updated, in line with proposed final SPS 160, to allow the reporting of information about other approved arrangements and will be required only on an annual, not quarterly, basis.

To ensure that reinsurance arrangements are appropriately reported, SRF 161.0 now makes specific reference to 'stop-loss cover' and 'catastrophe cover agreements' with these terms defined in the reporting instructions, rather than relying only on the more general term 'reinsurance'.

The remainder of SRF 161.0 has been updated to align with equivalent provisions for acquired insurance on SRF 250.0.

Chapter 5 – Other reporting forms

5.1 Financial statements

The September consultation package proposed a series of seven reporting forms to collect core financial position and financial performance information.

5.1.1 Revised structure of financial statements forms

The structure of the financial statements forms is largely unchanged from the September consultation package, but the numbering of the forms has been updated to better identify forms required to be reported at different reporting levels. This renumbering is outlined in Table 5.1.

Table 5.1 Revised financial statements forms

Name	Level	Frequency	Commencement	Audit
<i>Reporting Form SRF 320.0 Statement of Financial Position</i>	RSE	Quarter	1 July 2013	Reasonable
<i>Reporting Form SRF 320.1 Statement of Financial Position</i>	Defined benefit sub-fund	Annual	1 July 2014	NA
<i>Reporting Form SRF 330.0 Statement of Financial Performance</i>	RSE	Quarter	1 July 2013	Reasonable
<i>Reporting Form SRF 330.1 Statement of Financial Performance</i>	Defined benefit sub-fund, select investment option	Annual	1 July 2014	NA
<i>Reporting Form SRF 330.2 Statement of Financial Performance</i>	MySuper product	Annual	1 July 2013	Limited
<i>Reporting Form SRF 331.0 Services</i>	RSE	Annual	1 July 2013	NA
<i>Reporting Form SRF 704.0 Conditions of Release</i>	RSE	Annual	1 July 2013	NA

5.1.2 Commencement, frequency and structure of financial statements reporting

SRF 320.0 and SRF 330.0 will have to be submitted to APRA on a quarterly basis and audited annually.

In recognition of the complexity involved in reporting at sub-fund level, APRA has amended its proposals so that the financial statements information for sub-RSE level reporting (i.e. sub-funds, MySuper products, select investment options) is required only annually. Reporting of financial performance for MySuper products (in SRF 330.2) will commence for periods ending on or after 1 July 2013, whereas reporting for sub-funds (in SRF 320.1 and SRF 330.1) and select investment options (in SRF 330.1) will commence for periods ending on or after 1 July 2014.

In line with the proposed approach in relation to SRF 231.0 in the September consultation package, SRF 331.0 will be reported on an annual basis commencing for periods ending on or after 1 July 2013.

5.1.3 Reporting of costs and expenses

The September consultation package proposed that SRF 330.0 collect granular data about costs and expenses beyond that currently reported to APRA, broadly aligned with those categories recommended by the Super System Review.

Comments received

Submissions indicated that the proposed categories of costs (and their definitions) did not align with the existing reporting systems of RSE licensees and their service providers. Particular concern was raised about the 23 proposed categories of operating expenses to be reported on SRF 330.0.

APRA response

As discussed in section 3.3.2 of this paper, the terms 'fees', 'costs' and 'expenses' are commonly used interchangeably and this can create some confusion. Section 3.3.2 provides definitions of these terms to clearly separate them. APRA has made the link between fees, costs and expenses more explicit in SRF 330.0 and SRF 702.0, by adopting a definition of expenses that reflects, without always directly reconciling with, both fees and costs. Each of the eight permissible fee types for MySuper are reflected in an expense category in SRF 330.0, but some of the granularity proposed in the September consultation package has been removed.

Further, SRF 330.0 will collect only aggregate information regarding service provider expenses as detailed information for services will be collected on SRF 331.0, and for acquired insurance and self-insurance will be collected on SRF 250.0 and SRF 161.0.

5.1.4 Link between financial performance and services information

The September consultation package proposed to collect expense information in three different locations: SRF 330.0, SRF 231.0 (expenses for services) and SRF 600.0 (director remuneration).

APRA has reconsidered the relationship between these three forms so that RSE licensees provide meaningful information at an appropriate level. As a result, SRF 330.0 will now collect aggregated information about expenses on a quarterly basis.

Quarterly reporting on SRF 330.0 will provide APRA with quarterly trend information on general expenses incurred by an RSE, with most services aggregated into a single item 'services expenses'. Greater detail on areas of prudential interest will be provided on

an annual basis on SRF 331.0 and SRF 600.0. This approach, in APRA's view, reduces the quarterly reporting burden whilst maintaining the level of detail necessary for APRA's prudential supervision.

5.1.5 Reserves information

In the September consultation package, APRA proposed SRF 320.2 as a separate form to collect details about the flows in and out of each type of reserve within an RSE.

Comments received

Submissions questioned the value of information about reserves on a sub-fund basis, noting that this level of detail is generally not available at the sub-fund level.

APRA response

APRA remains of the view that information about movements into and out of reserves should be collected at the whole-of-fund level and sub-fund level on a quarterly basis. The proposed SRF 320.2 has been removed and the content moved to SRF 320.0, SRF 160.1 and SRF 601.0.

5.1.6 Rollovers, contributions and alignment with Australian Tax Office reporting

The quarterly statement of member flows in the September consultation package proposed an expanded and more granular collection of information about contributions, rollovers and benefit payments.

Comments received

The proposed information about contributions and rollovers led to significant comment in the submissions. The level of detail proposed for rollovers, in particular, was stated to not normally be maintained by RSE licensees and to not align with the proposed rollover information that will have to be maintained under the SuperStream reforms. Further, the contributions categories were identified as not aligning with reporting to the Australian Tax Office (ATO) on contributions.

APRA response

Since the release of the September consultation package, the ATO has implemented some requirements for both SuperStream and the new member statement. To ensure alignment with definitions used by the ATO, APRA has amended the level of detail and accompanying definitions in the SRF 330 series to reflect the ATO's definitions to the extent possible.

APRA's view is that as alignment between APRA's requirements and those administered by the ATO will facilitate more streamlined reporting by industry, it remains appropriate for APRA to collect information at the whole-of-fund level that is also otherwise reported to the ATO about each member in a fund. This is because SuperStream and the SBR taxonomy will mean that dual reporting will be a straightforward process as the information reported to both agencies will be drawn from the same source.

5.2 Defined benefit matters

APRA proposed, in the September consultation package, a single reporting form relating to defined benefit matters.

5.2.1 Revised structure of defined benefit forms

APRA has restructured the defined benefits information into two forms, as outlined in Table 5.2, allowing some information to be reported annually and some information quarterly. APRA has not changed the reporting levels for SRF 160.0 and, by extension, SRF 160.1.

Table 5.2 Revised defined benefits forms

Name	Level	Frequency	Commencement	Audit
<i>Reporting Form SRF 160.0 Defined Benefit Matters</i>	RSE, defined benefit sub-fund	Annual	1 July 2013	NA
<i>Reporting Form SRF 160.1 Defined Benefit Member Flows</i>	RSE, defined benefit sub-fund	Quarter	1 July 2014	NA

5.2.2 Commencement, frequency and structure of defined benefits reporting

APRA initially proposed that SRF 160.0 be reported to APRA on a quarterly basis.

Comments received

Submissions and subsequent discussions with industry and the actuarial profession suggested that it was not appropriate to collect all defined benefit information on such a frequent basis. Some submissions argued strongly that APRA's proposed quarterly collection would have the effect of causing wholesale changes in how the industry approaches actuarial valuations. Quarterly involvement of the actuary would involve significant additional costs for little prudential benefit. Industry suggested that annual reporting to confirm the valuations provided in the last formal actuarial valuation would be sufficient for APRA's purposes.

APRA response

APRA recognises that quarterly reporting can result in additional costs and is not necessary for some information, and has amended the reporting frequency for SRF 160.0 to be submitted only on an annual basis. The need for quarterly vested benefits index (VBI) estimates and contributions and benefit payments information, however, has led to the creation of a new quarterly form, *Reporting Form SRF 160.1 Defined Benefit Member Flows*. This will ensure that APRA has information about VBIs and member flows in and out of defined benefit funds and sub-funds at an appropriate frequency, without always requiring the formal involvement of the RSE actuary.

5.2.3 Alignment with proposed final SPS 160

APRA has released proposed final SPS 160, which covers requirements for initial, regular, interim, APRA-directed and other actuarial investigations of defined benefit funding and solvency, amongst other matters. SRF 160.0 was proposed to collect data about these core prudential requirements for defined benefit funds and sub-funds.

Comments received

Submissions highlighted some inconsistency between the provisions of SRF 160.0 and proposed final SPS 160, which was released on 15 November 2012 and which will be determined prior to its commencement on 1 July 2013.

APRA response

When draft SRF 160.0 was released for consultation in September 2012, it aligned with the proposed requirements of SPS 160 as they stood at that time. The process of finalising this standard, in close consultation with industry, resulted in some changes to APRA's defined benefit requirements, as they appear in proposed final SPS 160.

SRF 160.0 and SRF 160.1 (as well as SRF 161.0, covering self-insurance) have been updated to realign with the provisions in SPS 160. The key changes ensure alignment with the actuarial valuation timeframes and the new provision that allows self-insurance arrangements to be backed by financial arrangements other than reserves.

5.3 Profile and demographics information

APRA proposed, in the September consultation package, a series of six reporting forms to collect information about the profile of each RSE licensee and qualitative and demographic information about each RSE.

5.3.1 Revised structure of profile and demographics forms

APRA has renumbered and restructured the forms for clarity as outlined in Table 5.3.

Table 5.3 Revised profile and demographics forms

Name	Level	Frequency	Commencement	Audit
<i>Reporting Form SRF 001.0 Profile and Structure (Baseline)</i>	RSE licensee	Annual	On registration	NA
<i>Reporting Form SRF 410.0 Accrued Default Amounts</i>	RSE	Quarter	1 July 2013	NA
<i>Reporting Form SRF 600.0 Profile and Structure (RSE Licensee)</i>	RSE licensee	Annual	1 July 2013	NA
<i>Reporting Form SRF 601.0 Profile and Structure (RSE)</i>	RSE	Annual	1 July 2013	NA
<i>Reporting Form SRF 602.0 Wind-up</i>	RSE	<i>Ad hoc</i>	1 July 2013	Reasonable
<i>Reporting Form SRF 610.0 Membership Profile</i>	RSE	Annual	1 July 2014	NA
<i>Reporting Form SRF 610.1 Changes in Membership Profile</i>	RSE	Annual	1 July 2014	NA
<i>Reporting Form SRF 610.2 Membership Profile</i>	MySuper product	Annual	1 July 2013	NA

5.3.2 Commencement, frequency and structure of profile and demographics reporting

In the September consultation package, APRA proposed to collect demographics information on a quarterly basis.

As only information about accrued default amounts must be reported on a quarterly basis, APRA has moved this reporting obligation to a new separate form, SRF 410.0, which will have to be submitted on a quarterly basis and will cease to apply on 1 July 2017 on the conclusion of the MySuper transition period. APRA now considers that data about the membership profile, and changes in that profile, of each RSE can be collected on an annual basis as this information is unlikely to change significantly from quarter to quarter.

5.3.3 Standard employer sponsor information

SRF 601.0 proposed to require an RSE licensee to report, for each RSE, the top 20 standard employer sponsors based on number of members.

Comments received

Submissions queried the relevance of the names of standard employer sponsors for APRA's prudential supervision.

APRA response

APRA remains of the view that information about which standard employer sponsors contribute to each RSE is necessary for APRA's prudential supervision to allow better understanding of the external risks that may be facing a particular RSE. The obligation to report the top 20 standard employer sponsors therefore remains in SRF 601.0.

5.3.4 Default v choice MySuper interests

APRA proposed that the number of MySuper member accounts be split into those accounts where a member had defaulted into MySuper and those accounts where a member had exercised choice to enter the MySuper product. APRA also proposed collecting switches between MySuper and choice interests on SRF 610.1.

Comments received

Submissions argued that it would be impractical to split information on the number of member accounts with MySuper interests and questioned the value that this information would provide to APRA.

APRA response

APRA's view is that splitting MySuper interests into 'default' and 'choice' MySuper interests is important to provide adequate oversight of the management of MySuper products and to provide information about the reasons behind a member entering a MySuper product. APRA, therefore, has maintained this item on SRF 610.2 (removed from SRF 610.0).

Attachment A – Reporting requirements by reporting level

RSE licensee
<i>Reporting Form SRF 001.0 Profile and Structure (Baseline)</i>
<i>Reporting Form SRF 114.0 Operational Risk Financial Requirement</i>
<i>Reporting Form SRF 520.0 Responsible Persons Information</i>
<i>Reporting Form SRF 600.0 Profile and Structure (RSE Licensee)</i>
<i>Reporting Form SRF 802.0 Fund Profile (for RSE licensees of SAFs/SMADFs only)</i>

RSE (non-defined benefit)
<i>Reporting Form SRF 114.1 Operational Risk Financial Requirement</i>
<i>Reporting Form SRF 161.0 Self-Insurance</i>
<i>Reporting Form SRF 250.0 Acquired Insurance</i>
<i>Reporting Form SRF 320.0 Statement of Financial Position</i>
<i>Reporting Form SRF 330.0 Statement of Financial Performance</i>
<i>Reporting Form SRF 331.0 Services</i>
<i>Reporting Form SRF 410.0 Accrued Default Amounts</i>
<i>Reporting Form SRF 530.0 Investments</i>
<i>Reporting Form SRF 530.1 Investments and Investment Flows</i>
<i>Reporting Form SRF 531.0 Investments Flows</i>
<i>Reporting Form SRF 532.0 Investment Exposure Concentrations</i>
<i>Reporting Form SRF 534.0 Derivative Financial Instruments</i>
<i>Reporting Form SRF 535.0 Securities Lending</i>
<i>Reporting Form SRF 540.0 Fees</i>
<i>Reporting Form SRF 601.0 Profile and Structure (RSE)</i>
<i>Reporting Form SRF 602.0 Wind-up</i>
<i>Reporting Form SRF 610.0 Membership Profile</i>
<i>Reporting Form SRF 610.1 Changes in Membership Profile</i>
<i>Reporting Form SRF 710.0 Conditions of Release</i>

Defined benefit RSE

Reporting Form SRF 114.1 Operational Risk Financial Requirement

Reporting Form SRF 160.0 Defined Benefit Matters

Reporting Form SRF 160.1 Defined Benefit Member Flows

Reporting Form SRF 161.0 Self-Insurance

Reporting Form SRF 250.0 Acquired Insurance

Reporting Form SRF 320.0 Statement of Financial Position

Reporting Form SRF 330.0 Statement of Financial Performance

Reporting Form SRF 331.0 Services

Reporting Form SRF 410.0 Accrued Default Amounts

Reporting Form SRF 530.0 Investments

Reporting Form SRF 530.1 Investments and Investment Flows

Reporting Form SRF 531.0 Investments Flows

Reporting Form SRF 532.0 Investment Exposure Concentrations

Reporting Form SRF 534.0 Derivative Financial Instruments

Reporting Form SRF 535.0 Securities Lending

Reporting Form SRF 540.0 Fees

Reporting Form SRF 601.0 Profile and Structure (RSE)

Reporting Form SRF 602.0 Wind-up

Reporting Form SRF 610.0 Membership Profile

Reporting Form SRF 610.1 Changes in Membership Profile

Reporting Form SRF 710.0 Conditions of Release

PST

Reporting Form SRF 114.1 Operational Risk Financial Requirement

Reporting Form SRF 320.0 Statement of Financial Position

Reporting Form SRF 330.0 Statement of Financial Performance

Reporting Form SRF 331.0 Services

Reporting Form SRF 530.0 Investments

Reporting Form SRF 530.1 Investments and Investment Flows

Reporting Form SRF 531.0 Investments Flows

Reporting Form SRF 532.0 Investment Exposure Concentrations

Reporting Form SRF 534.0 Derivative Financial Instruments

Reporting Form SRF 535.0 Securities Lending

Reporting Form SRF 540.0 Fees

Reporting Form SRF 601.0 Profile and Structure (RSE)

Reporting Form SRF 602.0 Wind-up

ERF

Reporting Form SRF 114.1 Operational Risk Financial Requirement

Reporting Form SRF 320.0 Statement of Financial Position

Reporting Form SRF 330.0 Statement of Financial Performance

Reporting Form SRF 331.0 Services

Reporting Form SRF 530.0 Investments

Reporting Form SRF 530.1 Investments and Investment Flows

Reporting Form SRF 531.0 Investments Flows

Reporting Form SRF 532.0 Investment Exposure Concentrations

Reporting Form SRF 534.0 Derivative Financial Instruments

Reporting Form SRF 535.0 Securities Lending

Reporting Form SRF 540.0 Fees

Reporting Form SRF 601.0 Profile and Structure (RSE)

Reporting Form SRF 602.0 Wind-up

Reporting Form SRF 610.0 Membership Profile

Reporting Form SRF 610.1 Changes in Membership Profile

Reporting Form SRF 710.0 Conditions of Release

SAF/SMADF

Reporting Form SRF 160.0 Defined Benefit Matters

Reporting Form SRF 602.0 Wind-up

Reporting Form SRF 800.0 Financial Statements

Reporting Form SRF 801.0 Investments and Investment Flows

Sub-fund

Reporting Form SRF 160.0 Defined Benefit Matters

Reporting Form SRF 160.1 Defined Benefit Member Flows

Reporting Form SRF 320.1 Statement of Financial Position

Reporting Form SRF 330.1 Statement of Financial Performance

MySuper product

Reporting Form SRF 330.2 Statement of Financial Performance

Reporting Form SRF 540.0 Fees

Reporting Form SRF 610.2 Membership Profile

Reporting Form SRF 703.0 Fees Disclosed

MySuper investment option (incl. Lifecycle strategy stage)

Reporting Form SRF 533.0 Asset Allocation

Reporting Form SRF 702.0 Investment Performance

Select investment option

Reporting Form SRF 330.1 Statement of Financial Performance

Reporting Form SRF 533.0 Asset Allocation

Reporting Form SRF 702.0 Investment Performance

Attachment B – Revocation dates for existing forms

Form name	Quarterly (RSEs with assets equal to and greater than \$50m, except SAFs and SMADFs)	Annual (all RSEs except SAFs and SMADFs)	Annual (All SAFs and SMADFs only)
Statement of Financial Performance	SRF 100.0 revoked 1 July 2013	SRF 200.0 revoked 1 July 2013	SRF 300.0 revoked 1 July 2013
Statement of Financial Position	SRF 110.0 revoked 1 July 2013	SRF 210.0 revoked 1 July 2013	SRF 310.0 revoked 1 July 2013
Selected Disclosure of Investments – version A	SRF 110.1 (A) revoked 1 July 2014		
Selected Disclosure of Investments – version B	SRF 110.1 (B) revoked 1 July 2014		
Selected Disclosure of Investments		SRF 210.1 revoked 1 July 2014	SRF 310.1 revoked 1 July 2013
Derivative Financial Instruments	SRF 110.2 revoked 1 July 2014	SRF 210.2 revoked 1 July 2014	SRF 310.2 revoked 1 July 2013
Exposure Concentrations	SRF 120.0 revoked 1 July 2014	SRF 220.0 revoked 1 July 2014	SRF 320.0 revoked 1 July 2013
Transactions with Associated Entities		SRF 230.0 revoked 1 July 2013	SRF 330.0 revoked 1 July 2013
Membership Profile		SRF 240.0 revoked 1 July 2014	
Superannuation Entity Profile		SRF 250.0 revoked 1 July 2013	SRF 340.0 revoked 1 July 2013
Trustee Statement		SRF 260.0 revoked 1 July 2013	SRF 350.0 revoked 1 July 2013

Attachment C – Revised asset classes

Strategic asset allocation (SRF 533.0 item 1)	Summary asset allocation (2013-14 reporting on SRF 530.1)	Detailed asset allocation (2014-15 reporting on SRF 530.0)
Cash	Cash	Cash
	Australian fixed income	Australian (short term/long term) (Australian dollar/other currency) Government debt Australian (short term/long term) (Australian dollar/other currency) non-Government debt Australian (short term/long term) (Australian dollar/other currency) (residential/commercial) mortgage debt Australian (short term/long term) (Australian dollar/other currency) credit
Fixed income	International fixed income	International (short term/long term) (Australian dollar/other currency) Government debt International (short term/long term) (Australian dollar/other currency) non-Government debt International (short term/long term) (Australian dollar/other currency) (residential/commercial) mortgage debt International (short term/long term) (Australian dollar/other currency) credit
	Australian listed equities	Australian listed equities
	Australian unlisted equities	Australian unlisted equities
	International listed equities	International listed emerging markets equities International listed developed markets equities
Equities	International unlisted equities	International unlisted emerging markets equities International unlisted developed markets equities
	Australian listed property	Australian listed property
Property	Australian unlisted property	Australian unlisted property
	International listed property	International listed property
	International unlisted property	International unlisted property

Strategic asset allocation (SRF 533.0 item 1)	Summary asset allocation (2013-14 reporting on SRF 530.1)	Detailed asset allocation (2014-15 reporting on SRF 530.0)
Infrastructure	Australian listed infrastructure	Australian listed infrastructure
	Australian unlisted infrastructure	Australian unlisted infrastructure
	International listed infrastructure	International listed infrastructure
	International unlisted infrastructure	International unlisted infrastructure
Commodities	Commodities	Commodities
Other	Other	Other



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