



9 February 2016

To all RSE licensees

PUBLICATION OF ANNUAL SUPERANNUATION STATISTICS AND CONFIDENTIALITY OF SUPERANNUATION DATA

On 28 May 2015, APRA released a discussion paper on proposed changes to its annual superannuation statistical publications and confidentiality of superannuation data submitted to APRA.¹

In the discussion paper, APRA proposed to revise its suite of published annual superannuation statistics to reflect recent changes to the superannuation reporting framework following the analysis of the first revised annual collection that was submitted in October 2014.

APRA previously consulted on enhancements to its quarterly superannuation statistics in November 2013, and now publishes industry-level financial performance, financial position and asset allocation information in the *Quarterly Superannuation Performance* publication, as well as MySuper product-level data that meets APRA's obligations under section 348A of the *Superannuation Industry (Supervision) Act 1993* in the *Quarterly MySuper Statistics* report.

On 20 May 2015, APRA announced a decision on the confidentiality of almost all data that was proposed to be determined non-confidential in November 2013.² In the May 2015 discussion paper, APRA undertook further consultation on a small number of data items to make a decision about the data's confidentiality.

The discussion paper provided RSE licensees and interested parties with the opportunity to provide feedback and suggestions on APRA's proposed changes to annual superannuation statistics, and to make representations about APRA's proposal to determine certain data to be non-confidential.

¹ <http://www.apra.gov.au/Super/Publications/Pages/Publication-annual-super-statistics-confidentiality-super-data.aspx>

² <http://www.apra.gov.au/Super/Documents/201505LetterSuperStatsConfidentiality.pdf>

The consultation period for submissions to be made to APRA closed on 9 July 2015. APRA received four submissions in response to the proposals in the discussion paper. The submissions are available on APRA's website.³ This letter outlines APRA's response to the consultation.

Publication of annual superannuation statistics

In the discussion paper, APRA sought feedback on the content and format of the proposed annual superannuation statistics. APRA proposed to continue to publish industry-level and fund-level annual superannuation statistics, and to introduce an annual MySuper product-level report. These statistics will promote understanding of the superannuation industry and enhance transparency and accountability of superannuation trustees, and support well-informed decision-making by regulated institutions, policy-makers, market analysts and researchers.

The submissions received were broadly supportive of the proposed annual superannuation statistics and provided some useful feedback on the content and format of the proposed statistics. This has been incorporated in the final statistics that will be released.

On 10 February 2016, APRA will publish the first editions of enhanced annual superannuation statistics. APRA will publish industry-level superannuation statistics for the year ended June 2015 in the *Annual Superannuation Bulletin* PDF publication. An Excel report version will include additional detailed statistics, as well as information for the year ended June 2014. APRA will also publish fund-level data in the *Annual Fund-level Superannuation Statistics* report and MySuper product-level data in the *Annual MySuper Statistics* report for the years ended June 2014 and 2015.

APRA recommends that users of the statistics exercise caution in analysing and interpreting the reports, particularly while the annual superannuation data collection is still relatively new. During this early phase of a new collection, the systems and processes for collecting and reporting data in accordance with the new reporting requirements are not fully embedded across the industry. Further, aspects of the reporting requirements and instructions have recently been refined in consultation with industry. It will therefore take time for the information reported to APRA to reach an appropriate level of quality and consistency. APRA anticipates that the publication of the data provides opportunities for industry to improve the quality of submitted data.

APRA also notes that performance over the long term is a key determinant of members' retirement outcomes and that there is likely to be considerable variability in some data over the short term. In that context, APRA strongly recommends that users of the

³ <http://www.apra.gov.au/Super/Publications/Pages/Responses-Publication-of-annual-superannuation-statistics-and-confidentiality-of-superannuation-data-May-2015.aspx>

statistics exercise caution in making assessments or drawing conclusions based on short-term information.

Publication of data for industry segments

While the May 2015 discussion paper did not specifically seek submissions regarding the publication of data for industry segments, some submissions did comment on the segmentation in the proposed annual superannuation statistics.

In the November 2013 discussion paper, APRA sought feedback on the value of classifying superannuation data into segments based on various attributes, the segments to be used in statistical publications and reports and the particular data it may be appropriate to publish by segment. Having considered all of the feedback received throughout that consultation process, APRA released on 19 February 2015 the paper *Segmentation of superannuation entities*, outlining APRA's approach to segmentation of the superannuation statistics to be publicly released following the implementation of the revised reporting framework.⁴

APRA subsequently published statistics by industry segment, commencing with the December 2014 edition of the *Quarterly MySuper Statistics* report and March 2015 edition of the *Quarterly Superannuation Performance* publication. APRA also revised the fund type of each RSE based on the improved methodology in the June 2014 interim edition of the *Superannuation Fund-level Profiles and Financial Performance* report. APRA has no immediate plans to implement further changes to its segmentation methodology.

Confidentiality of data

The May 2015 discussion paper proposed to determine non-confidential a small number of data items reported on *Superannuation Reporting Form SRF 540.0 Fees* (SRF 540.0) and *Superannuation Reporting Form SRF 710.0 Conditions of Release* (SRF 710.0).

In May 2015, APRA determined non-confidential data reported on SRF 540.0 relating to fees paid, including activity fees paid, apart from information relating to source of payment. APRA did not determine non-confidential data on fee rebates and fee discounts, including activity fee rebates and fee discounts. APRA undertook further consultation regarding the confidentiality of data relating to fees paid by source of payment as well as information on fee rebates and fee discounts in the May 2015 discussion paper. APRA proposed that these data be included in *Annual Fund-level Superannuation Statistics* report and *Annual MySuper Statistics* report.

The data items on SRF 710.0 were added to the reporting form subsequent to the November 2013 consultation and were proposed to be included in the *Annual Fund-level Superannuation Statistics* report once reporting of these items commences in 2016.

⁴ http://www.apra.gov.au/Super/Publications/Documents/Segmentation_of_super_entities.pdf

Section 57 of the *Australian Prudential Regulation Authority Act 1998* provides that APRA may, by legislative instrument, determine that data submitted to it by superannuation entities under section 13 of the *Financial Sector (Collection of Data) Act 2001* contains or does not contain confidential information. APRA may determine data to be non-confidential if “APRA considers that the benefit to the public from the disclosure of [the data] outweighs any detriment to commercial interests that the disclosure may cause”.

Representations received on the proposal to determine data non-confidential

Three of the four submissions on the discussion paper supported APRA’s proposals to determine the relevant data non-confidential. One submission, however, indicated that making the data items reported on SRF 540.0 non-confidential as proposed would potentially cause detriment to commercial interests of RSE licensees and also suggested that particular data should not be determined non-confidential to protect privacy.

A determination that data are non-confidential does not affect APRA’s obligations under the *Privacy Act 1998* (Privacy Act). The Privacy Act requires that where APRA has possession or control of a record that contains personal information, it shall not disclose that information to a person, body or agency (other than the individual concerned) except under specific circumstances. In the case of superannuation data, this applies to RSE information where information specific to an individual could be discovered. APRA does not intend to disseminate RSE data where information specific to an individual can be determined and will continue to apply privacy protection measures to ensure that such information cannot be derived from APRA’s published statistics.

To adhere to the requirements of the Privacy Act, APRA uses the framework developed by the National Statistical Service (NSS). The NSS, which is a community of government agencies led by the Australian Bureau of Statistics, prescribes a process for managing the risk of releasing private data. APRA follows the NSS policies and procedures to identify and manage privacy risks to ensure an individual’s privacy is not breached. APRA already masks data in publications to ensure that identifiable information about individuals is not released publicly and cannot be derived from data that are released. APRA will continue to apply these privacy protection measures.

Having considered all of the feedback on data confidentiality, APRA has determined non-confidential the data items proposed to be non-confidential in the discussion paper, as set out in Appendix A. This decision was made on the basis that the public benefit from disclosure clearly outweighs any detriment to commercial interests that disclosure may cause.

Next steps

APRA will publish the first editions of enhanced annual superannuation statistics on 10 February 2016. APRA appreciates the feedback provided to date by industry and other stakeholders. We welcome feedback on the revised suite of annual superannuation publications as they are released. We would also encourage industry and other stakeholders to continue to review the information that is published for accuracy and consistency, so that the quality of the data collection and publications is enhanced over time.

Yours sincerely

A handwritten signature in black ink that reads "Helen Rowell". The signature is written in a cursive, flowing style.

Helen Rowell
Deputy Chairman

Appendix A - Data that APRA determined non-confidential under S57 of the APRA Act (January 2016)

- SRF 540.0 Fees
 - 1. Fees paid (column 2 source of payment)
 - 1.1 Details of other source of payment
 - 2. Fee rebates and fee discounts
 - 3. Activity fees (column 3 source of payment)
 - 3.1 Details of other source of payment
 - 4. Activity fee rebates and fee discounts

- SRF 710.0 Conditions of Release
 - 1.1 Other lump sum benefit payments
 - 1.1.1 Release of unrestricted non-preserved benefits
 - 2.1 Other pension benefit payments
 - 2.1.1 Release of unrestricted non-preserved benefits