



31 July 2015

To all registrable superannuation entity (RSE) licensees

Consultation on proposed changes to superannuation reporting standards for the purposes of the Australian Bureau of Statistics

Introduction

The purpose of this letter is to seek industry views on proposed changes to *Reporting Standard SRS 330.0 Statement of Financial Performance* (SRS 330.0) which are proposed for the statistical purposes of the Australian Bureau of Statistics (ABS).

In January 2015, the ABS and the Australian Prudential Regulation Authority (APRA) released proposed reporting standards relating to additional data to be collected primarily for the purposes of the ABS. Consultation on these draft standards closed on 17 April 2015.

In response to industry submissions, the ABS and APRA propose changes to SRS 330.0. These changes will result in the withdrawal of *Reporting Standard SRS 730.0 ABS Income and Expenditure* (SRS 730.0) from the proposed ABS collection. Comment is invited on the proposed changes to SRS 330.0 which are provided in draft form with this letter.

The ABS and APRA intend to release the final suite of the reporting standards collected primarily for the purposes of the ABS by 31 December 2015, commencing for reporting periods ending on or after 1 July 2016.

Changes proposed to SRS 330.0

A common industry concern during consultation on SRS 730.0 was its similarity and perceived duplication with SRS 330.0. However, SRS 730.0 used a different reporting basis and included additional requirements on non-resident member flows, defined benefit member flows and changes in defined benefit liabilities. Other differences between the two forms were that SRS 330.0 had a higher reporting frequency (quarterly and annual versus annual) and a larger reporting population (the proposed ABS forms have a threshold of \$200m in total assets).

The ABS advised in its letter released on 1 April 2015 that it would reduce reporting requirements regarding non-resident members and make greater use of information collected under SRS 330.0. This would enable a significant reduction in the scope of SRS 730.0 provided that a small number of unique data items from column 1 of proposed SRS 730.0 were located elsewhere in the reporting collection.

The ABS and APRA now propose that seven data items from SRS 730.0 be added to SRS 330.0. Further, the ABS concluded that other proposed requirements about non-resident member flows, detailed defined benefit member flows and changes in defined benefit liabilities are either unavailable to RSEs or can be approximated by data already available to the ABS. Therefore, apart from the seven data items which are proposed to be added to SRS 330.0, the ABS will withdraw SRS 730.0 from the proposed ABS collection.

Proposal: (a) that seven new data items be added to the existing SRS 330.0; and (b) that proposed SRS 730.0 be withdrawn from the proposed ABS collection.

Impact of proposed changes

The proposed changes to SRS 330.0 and the withdrawal of SRS 730.0 have the following implications for the reporting burden on RSE licensees.

Reporting burden associated with data collected under SRS 730.0 will decrease significantly because SRS 730.0 will be withdrawn from the proposed ABS collection. However, reporting burden associated with the seven data items relocated from SRS 730.0 to SRS 330.0 may increase because:

- SRS 330.0 must be submitted quarterly and annually, whilst the proposed SRS 730.0 would have been required to be submitted on an annual basis only;
- SRS 330.0 must be completed for all RSEs, regardless of size, whilst the proposed SRS 730.0 would only have been submitted for RSEs with at least \$200m in assets; and
- SRS 330.0 must be subject to a reasonable assurance review, as per the requirements of *Prudential Standard SPS 310 Audit and Related Matters*, whilst the proposed SRS 730.0 would not have a required audit. However, where information on SRS 330.0 is provided solely for the purposes of the ABS, those items may be reported as careful estimates if it is not readily available.

Although the reporting burden associated with the seven data items relocated to SRS 330.0 may increase, the addition of these data items will enable the ABS to make greater use of SRS 330.0 to produce an enhanced and coherent aggregate dataset for improving annual Supply Use benchmarks during quarterly compilation of the Australian System of National Accounts.

The ABS notes that the additional seven items should be available from the same sources as other data on SRS 330.0 and will solely be used by the ABS to produce aggregate statistics.

Other minor revisions

Since APRA's suite of reporting standards commenced from 2013, APRA has received industry feedback on some of these standards, as well as a large number of requests for clarification and guidance on interpretation. As a result, APRA issued a large number of frequently asked questions (FAQs) relating to reporting, which were made available on APRA's website. As these FAQs provide transition guidance, APRA considers that a number of the matters covered in FAQs should be included in the reporting standards, forms and instructions on an ongoing basis.

In keeping with this approach, APRA has amended SRS 330.0 to incorporate changes that are of a minor nature. The changes made provide clarity that insurance claim benefits or proceeds are expected to be reported as benefit payments. In addition, the changes include new definitions and a revised definition in the Interpretation section of SRS 330.0.

Next steps

The ABS and APRA seek comments on the proposed changes to SRS 330.0 and encourages stakeholders to provide information to assist understanding the level of system or other changes that may be required to provide the proposed data. The ABS requests that comments made in submissions are as specific as possible, to the extent of identifying specific data item(s) or instruction(s) wherever relevant.

In order to perform a comprehensive cost-benefit analysis, the ABS requests respondents to provide an assessment of the impact of the proposed changes. Such assessment should specifically include marginal compliance costs RSE licensees are likely to face in:

- (a) initially implementing or changing systems and processes to report under the proposed standards; and
- (b) reporting under the proposed standards on an ongoing basis.

Subject to consideration of responses to this consultation letter, the final reporting standard is expected to be released by 31 December 2015, with the new reporting requirements to commence from 1 July 2016.

APRA is coordinating this consultation on behalf of the ABS. Accordingly, written submissions on the proposed changes to SRS 330.0 should be forwarded to superannuation.policy@apra.gov.au by 14 August 2015 and addressed to:

Pat Brennan
General Manager, Policy Development
Policy, Statistics and International Division
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001

Technical enquiries on the proposed changes to SRS 330.0 should be forwarded to anita.van.den.bogaardt@abs.gov.au by 14 August 2015 and addressed to:

Anita van den Bogaardt
Director, Financial Statistics Section
Business Characteristics and Indicators Branch
Australian Bureau of Statistics
GPO Box 796
Sydney NSW 2001

This consultation package is available on the APRA website here:

<http://www.apra.gov.au/Super/Pages/superannuation-consultation-packages.aspx>

Yours sincerely



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Important disclosure notice - publication of submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose.

Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the Freedom of Information Act 1982 (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA.

Information in the submission about any APRA regulated entity which is not in the public domain and which is identified as confidential will be protected by section 56 of the Australian Prudential Regulation Authority Act 1998 and therefore will ordinarily be exempt from production under the FOIA.