Proposed superannuation data collection to implement the Government's Retirement Reporting Framework

Aware Super Submission

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1. Introduction

Aware Super welcomes the opportunity to provide feedback on APRA's proposed data collection to implement the Government's Retirement Reporting Framework (the Framework). We support the implementation of the Retirement Reporting Framework as a positive and important step toward improving transparency across the retirement phase of superannuation and strengthening industry-wide implementation of the Retirement Income Covenant (RIC).

Aware Super welcomes the uplift from account-level reporting to member-cohort reporting as a meaningful step toward improved transparency and stronger implementation of the Retirement Income Covenant.

We support APRA's objective to balance the trade-off between regulatory costs and providing meaningful insight. We are of the view that the proposed implementation approach is striking a good balance, with some potential improvements to further increase the effectiveness and efficiency of the reporting.

This is an important step in shifting the industry from product-centric reporting in the accumulation stage to member-centric reporting and outcome assessment in the decumulation stage. While we recognise the associated increases in cost, complexity and potential for misinterpretation, these can be managed through careful calibration to ensure the framework remains practical and proportionate.

Our key recommendations focus on improving interpretability, comparability and durability of reported metrics, while reducing the risk of misinterpretation.

About Aware Super

Aware Super is one of Australia's largest profit-to-member superannuation funds, investing about $235 billion around the world on behalf of our 1.3 million members. We strive to deliver strong long-term returns[1] for our members and the help, guidance and advice[2] they need to prepare for and enjoy their best possible retirement.

1. Aware Super's High Growth option return over 10 years to 31 December 2025. SuperRatings Fund Crediting Rate Survey, December 2025. Based on the SR Growth (77-90) Index. Returns are after tax and investment management expenses but before the deduction of administration fees. Past performance is not an indicator of future performance.

2. Advice provided by Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430), wholly owned by Aware Super.

2. Recommendations

1. Retirement status indicators (member cohorts and attributes)

We recommend that APRA refine the retirement status indicators. If lump sum withdrawals are to be included as an indicator of retirement, only full lump sum withdrawals (i.e. withdrawal of the full account balance) be included in the definition of members who are classified as having retired during the reporting period.

2. Metric 2 (payments and drawdown rates)

We recommend that APRA provide detailed example reporting tables, including worked mock-ups for SRF 607 and SRF 611, to:

- improve industry understanding of how data is expected to be constructed and reported; and
- reduce the risk of misinterpretation and inconsistent implementation, enhancing the consistency and comparability of ongoing reporting.

3. Metric 3 (balance utilisation)

We recommend that APRA exercise caution in interpreting and publishing balance utilisation data, particularly in cross fund comparisons.

We also recommend that APRA consider alternative or supplementary approaches to calculate balance utilisation - such as capturing balances at defined historic reference points (e.g., balances of deceased members 3 to 5 years prior) - to provide a more consistent basis for assessing balance utilisation over time.

4. IRIS products

We recommend that APRA consider data reporting requirements similar to account-based pensions to be implemented for IRIS products where product features permit this (potentially via an additional table within SRF/SRS 611.1, such as a Table 4), including:

- separate treatment for life annuities and Living Bonus style longevity products (consistent with the distinctions already recognised in SRF/SRS 607);
- collection of drawdown choices information for IRIS products where drawdown features exist;
- collection of high-level investment strategy information (for example, risk bands based on independent survey or research house classifications) for IRIS products; and
- apply underlying investment reporting consistently across account-based pensions and IRIS products.

5. Defined Benefit Lifetime Pension members

We recommend that APRA exclude Defined Benefit Lifetime Pension members from reporting account balances.

6. Small cohort practicality and privacy

We recommend aggregation (e.g. age bands, balance groupings) to improve practicality and data quality.

7. Publication and supervisory use

We recommend early engagement with industry on publication design, framing, and explanatory material to ensure the data supports transparency and insight without unintended inferences about product quality or trustee performance.

3. Comments on consultation proposals

Member cohorts and attributes

3.1. Retirement Status Indicators

APRA's proposal to use observable member actions as proxies for retirement is pragmatic given current data limitations and supports system-wide comparability. However, classifying all members who make lump sum withdrawals from accumulation as "retired during the reporting period" introduces both misclassification and inconsistency risks.

- In practice, partial lump sum withdrawals are often liquidity-driven (such as debt reduction, major one-off purchases, or other temporary liquidity needs) and may not reflect retirement intent.
- Including all members who make a lump sum withdrawal in the "retired during the reporting period" cohort creates inconsistency with the "retired prior period" definition, which is based on holding an income stream. This structural mismatch undermines longitudinal comparability. Members classified as "retired" due to a one-off withdrawal may not appear in subsequent periods if they do not repeat the behaviour or commence an income stream, despite no change in their underlying status.

By contrast, commencement of a retirement income stream is a more reliable indicator, reflecting a structural shift in how members fund ongoing consumption and more closely aligned with the objectives of the RIC.

That said, collecting a broader set of data points would improve insight into member behaviour and allow differentiation between transitional and definitive retirement actions. We therefore support distinguishing between:

- members who commence a retirement income stream;
- members who make partial withdrawals from accumulation (non-retirement behaviour); and
- members who make full withdrawals from accumulation (system exit).

If lump sum withdrawals are to be included as an indicator of retirement, we consider that only full lump sum withdrawals should be included in that definition. A full withdrawal of the member's accumulated balance:

- is a stronger and more reliable indicator of retirement behaviour and reduces volatility in cohort definitions;
- is more consistent with the historical member behaviours associated with retirement as either cashing out their entire super balances (leaving the superannuation system) or transitioning into a retirement income stream; and
- improves stability of reported outcomes over time and the interpretability of longitudinal trends.

Recommendation

We recommend that APRA refine the retirement status indicators. If lump sum withdrawals are to be included as an indicator of retirement, only full lump sum withdrawals (i.e. withdrawal of the full account balance) be included in the definition of members who are classified as having retired during the reporting period.

Metrics

3.2. Metric 2: Payments from retirement products (average drawdown rates for members)

We support APRA's objective of improving transparency and insight into retirement drawdown behaviour and recognise the appeal of nominated drawdown rates as an indicator of member choice and intent. The proposal represents an important step beyond reliance solely on realised payment amounts.

Under the proposal, RSEs are required to report a simple average of members' nominated drawdown rates at a cohort level. Based on the consultation paper in isolation, we initially had concerns that this approach may limit the ability to aggregate or roll up results to produce robust and comparable industry-level benchmarks for similar cohorts.

However, following a detailed bottom-up review, including mocking up the new SRF 607 Tables 6 and 7, and SRF 611 Tables 1 – 3 informed by the technical documentation, we are of the view that the proposed method is a practical way to support consistent calculation of drawdown rates at a fund and industry level.

Notwithstanding this, we consider there remains a risk of inconsistent interpretation and implementation across industry, particularly given the complexity of the reporting requirements and the absence of clear end-to-end examples of how data is expected to be constructed, reported, and ultimately aggregated.

Providing supporting mock-up tables and worked examples would materially improve the accuracy and consistency of industry interpretation across all proposed changes. It would also reduce implementation costs and minimise the risk of divergent approaches emerging across RSEs, which could undermine the comparability and usefulness of the reported data.

Recommendation

We recommend that APRA provide detailed example reporting tables, including worked mock-ups for SRF 607 and SRF 611, to:

- improve industry understanding of how data is expected to be constructed and reported; and
- reduce the risk of misinterpretation and inconsistent implementation, enhancing the consistency and comparability of ongoing reporting.

3.3. Metric 3: Balance utilisation

We support the intent of Metric 3 to improve insight into how retirement balances are utilised to pay an income over time. However, careful interpretation is required due to structural distortions outlined below.

Multiple pension commencements by the same member

In our experience, a significant proportion of account-based pensions opened in any given year are established by members who have previously commenced a retirement income stream. This typically occurs where a member moves additional monies into the pension phase after an initial commencement, rather than representing the start of their retirement journey. In these cases, subsequent pension accounts do not reflect original retirement balances, leading to understated utilisation.

Successor fund transfers and re-established pensions

Similar issues arise following successor fund transfers. A change in fund administration creates new commencement balances. The reset commencement balance can obscure prior drawdowns and distort measures of balance utilisation.

Implications for interpretation and publication

These factors do not diminish the value of balance utilisation data, but mean results should be interpreted as indicative rather than definitive. Lower apparent utilisation may reflect pension restarts or administrative resets rather than member behaviour.

The current approach also does not consistently account for time since commencement. As a result, recent and long-standing pensions are not comparable, with newer pensions appearing to have low utilisation despite similar long-term behaviour.

Recommendation

We recommend that APRA exercise caution in interpreting and publishing balance utilisation data, particularly in cross-fund comparisons.

We also recommend that APRA consider alternative or supplementary approaches to calculate balance utilisation - such as capturing balances at defined historic reference points (e.g., balances of deceased members 3 to 5 years prior) - to provide a more consistent basis for assessing balance utilisation over time.

4. Forward looking and implementation considerations

4.1. New IRIS products

The framework should be forward-looking to accommodate emerging IRIS products. These products operate very differently from traditional life annuities, with features similar to account-based pensions (for example, AMP North Lifetime Pension and MLC Retirement Boost), including drawdown and investment choice. Without adjustment, the current design risks becoming quickly outdated.

Recommendation

We recommend that APRA consider data reporting requirements similar to account-based pensions to be implemented for IRIS products where product features permit this (potentially via an additional table within SRF/SRS 611.1, such as a Table 4), including:

- separate treatment for life annuities and Living Bonus style longevity products (consistent with the distinctions already recognised in SRF/SRS 607);
- collection of drawdown choices information for IRIS products where drawdown features exist;
- collection of high-level investment strategy information (for example, risk bands based on independent survey or research house classifications) for IRIS products; and
- apply underlying investment reporting consistently across account-based pensions and IRIS products.

4.2. Complexity around DB Lifetime Pension members

We understand that members who hold both a DB Lifetime Pension and a superannuation account (either an accumulation, TTR or an account-based pension account) are in the scope of the Framework.

Balance reporting for those members with a DB Lifetime Pension is not applicable and would introduce significant complexity and cost.

Recommendation

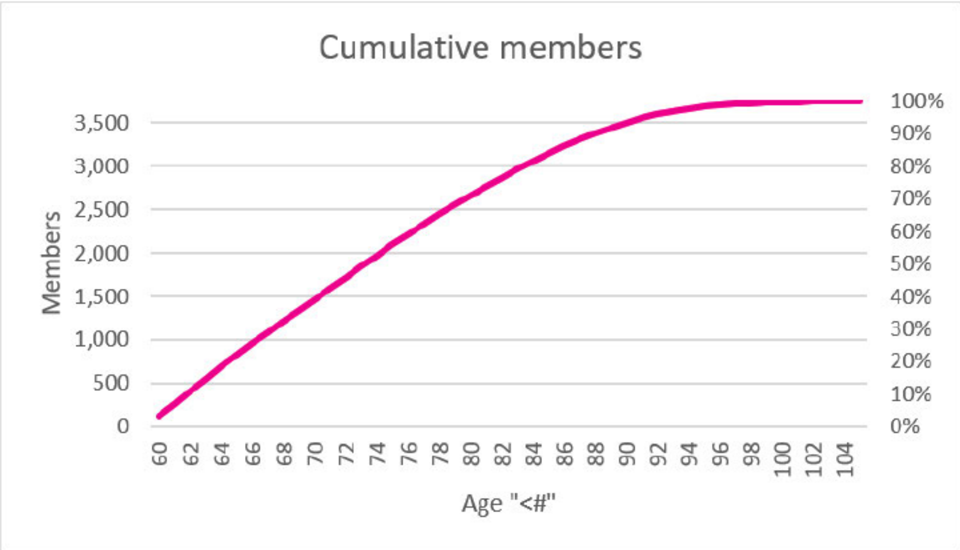
We recommend that APRA exclude DB Lifetime Pension members from reporting account balances.

4.3. Small cohort issues

While we support member-cohort level reporting, current cohort design may result in very small group sizes. Based on our mocked-up example, we estimate that around 50% of the cohorts to be reported will have 5 or less people for our membership. It raises concerns around the effectiveness and efficiency of the implementation of the Framework and may lead to data privacy risks if the data is published in the future.

We explored several approaches to improve reporting efficiency, as outlined in the table below. Removing the “Other Retirement Income Stream Account” category appears to reduce the number of small cohorts to some extent. Further analysis of the cumulative age distribution also indicates that many small cohorts are concentrated at older ages. Aggregating older age groups, such as ages 90 and above, would therefore further improve reporting practicality and data quality.

Cohorts	Count of cohorts	% of cohorts with <5 members
1. Age by year all products	3,748	50%
2. 5-year age ranges all products	1,090	43%
3. Age by year excl. "Other Retirement Income Stream Account"	3,606	47%
4. 5-year age ranges excl. "Other Retirement Income Stream Account"	919	37%



Recommendation

We recommend aggregation (e.g. age bands, balance groupings) to improve practicality and data quality.

4.4. Publication and use of retirement reporting data

Given the breadth and sensitivity of the data collected, we would welcome further consultation on APRA's publication approach and supervisory use of the data. Several metrics are context-dependent and risk misinterpretation if published without appropriate caveats.

Recommendation

We recommend early engagement with industry on publication design, framing, and explanatory material to ensure the data supports transparency and insight without unintended inferences about product quality or trustee performance.