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Retirement Reporting Framework Implementation

Executive Summary

- The Super Members Council (SMC) supports the implementation of the Retirement Reporting Framework as an important transparency measure to improve visibility of retirement preparedness for members, Government and regulators.
- The Framework will also assist trustees in the development and implementation of their Retirement Income Strategy and give both Government and regulators greater visibility on progress towards that goal.
- Taken in isolation, the RRF metrics are, however, susceptible to being misunderstood if they are used as de facto measures of trustee 'success' or compared across funds without important context. Because of this significant risk of misinterpretation, ensuring context and background will be essential.
- The consultation paper sets out limited detail on APRA's proposed publication approach, and this round of consultation leaves little time for stakeholders to consider publication design issues in depth.
- An important priority for implementation is clarity on how APRA will use reported data in supervision to assess progress against the Retirement Income Covenant (RIC), and how the data will be presented publicly so it is not misleading.
- SMC also recommends refining some specific indicators and metrics, including the retirement status indicator, member balance bands and balance utilisation measures.

Key recommendations

Recommendation 1 Supervisory use and guidance: APRA should publish guidance explaining how it intends to use RRF data in supervision, including how APRA will assess fund progress in meeting the RIC and what contextual factors will be taken into account when interpreting metrics.

Recommendation 2 Publication, confidentiality and contextual information: APRA should consult further on public reporting settings to address confidentiality risks, including aggregation, suppression and treatment of small cohorts. Separately, APRA should determine what contextual information should be published alongside RRF metrics so the data can be interpreted appropriately and is not used to support misleading cross-fund comparisons.

Recommendation 3 Improvements to specific indicators and metrics: APRA should refine a number of proposed indicators and metrics, including by:

- updating the retirement status indicator
- reviewing member balance bands to better support interpretation
- reconsidering the basis on which balance utilisation is measured.

About the Super Members Council

We are a strong voice advocating for more than 12 million Australians with over $1.6 trillion in retirement savings in profit-to-member superannuation funds. Our purpose is to protect and advance the interests of those millions of super fund members throughout their lives, advocating on their behalf to ensure super policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policy makers across the full breadth of Parliament.

SMC supports the Retirement Reporting Framework (RRF) as a transparency tool that can strengthen Australians' retirement preparedness and retirement living standards, and thanks APRA for its constructive engagement with the sector on implementation. This submission focuses on implementation to ensure that reporting delivers greatest value to members, the Australian public, industry and regulators.

Supervisory use of Retirement Reporting Framework data

As noted by SMC in its September 2025 submission to Treasury's consultation on the RRF, many of the RRF metrics (for example, drawdown behaviour, advice take-up, lump sum withdrawals and balance utilisation) can be heavily influenced by factors outside a trustee's Retirement Income Strategy and outside the scope of the Retirement Income Covenant, including market movements, member demographics, housing decisions and changes in cohort composition over time. Without clear interpretive guidance that highlights these broader factors, there is a risk the data may be used out of context, either in supervision or in public discourse, to draw incorrect conclusions about trustee performance or RIC implementation.

To maximise the RRF's value as a progress measure over time, APRA should be explicit about intended supervisory 'use cases' for the data (for example, risk identification, targeted supervisory review, and monitoring of progress over time) and set clear expectations for interpretation. This should include a clear statement that RRF outputs are not intended ever to be treated as a simplistic scorecard or league table for comparing funds, noting the wide array of diverse member cohorts among the 17 million Australians with super. Members have widely varying levels of super, education, financial literacy/confidence and member preferences on how they wish to draw down their super in retirement. APRA should confirm the primacy of cohort-level analysis over whole-of-fund averages, where member characteristics can materially affect outcomes, and should outline how APRA will treat volatility, structural breaks (such as successor fund transfers) and measurement limitations.

Publication and context

At a general level, the consultation paper gives only limited detail on APRA's proposed publication approach, and this round of consultation leaves little time for stakeholders to consider publication design issues in depth. The publication parameters are also contingent on final reporting obligations, making it difficult to discuss both concurrently.

Publication settings should be the subject of further consultation once the underlying reporting requirements have been settled, given that decisions about publication are closely interrelated with the final reporting definitions, cohort design, aggregation approach and confidentiality controls.

SMC urges APRA to seek further balance between transparency and managing confidentiality risks. The proposed collection is highly granular and may produce very small cohorts, creating risks that may require suppression, aggregation or other disclosure controls. As a matter of appropriate supervisory practice, APRA should consult further on the level of aggregation to be used for publication, how confidentiality controls will be applied consistently, and how small cohorts will be treated.

Secondly, APRA should separately also consider what information ought to be published alongside RRF metrics to give proper context and reduce the risks of misleading interpretations. There is no one size-fits-all in interpreting specific indicators of the RRF. However, without appropriate contextual information, RRF outputs may be read as simple indicators of trustee performance or used to support inappropriate cross-fund comparisons, notwithstanding differences in member mix, product design, investment settings and market conditions.

The following contextual information and metrics are important and should be published alongside RRF data to support accurate meaningful interpretation and analysis:

- **Investment performance information** for investment-linked retirement income streams (for example, net returns over relevant periods) so drawdown and balance utilisation metrics can be interpreted in light of market performance.
- **Investment strategy / risk settings** for retirement products (for example, growth/defensive allocation ranges) given strategy design can materially influence drawdown behaviour and amounts.
- **Product settings and design features** that affect income patterns (for example, lump sum access settings, reversionary settings).
- **Fees and costs** applying to retirement products, as these clearly affect net outcomes and sustainability.

SMC would welcome further engagement with APRA on the development of regulatory guidance and publication parameters to ensure the RRF delivers on its objectives in the most effective way.

Comments on specific indicators and metrics

Several of the proposed indicators and metrics would benefit from further refinement to ensure they are accurate, stable over time, and fit for purpose for cohorting and interpretation. SMC comments on three: the retirement status indicator, the member balance bands, and the balance utilisation measure.

Retirement status indicator

On retirement status, the proposed definition requires refinement to ensure it is internally consistent across 'current period' and 'previous period' classifications and does not produce avoidable misclassification. Two separate changes are needed. First, lump sum withdrawals should not be treated as determinative of retirement status. Secondly, the reporting should include inactive status as an additional dimension.

Lump sum withdrawals are not, of themselves, a reliable indicator that a member has moved into retirement or is using their super primarily for retirement income purposes. Members may make lump sum withdrawals for a range of reasons that do not reflect retirement status, including to repay debt, fund housing-related expenditure, meet one-off expenses, provide family support, or manage tax and cash flow settings, while remaining in the workforce or continuing to draw employment income. Conversely, some members who have in fact retired, particularly members with lower balances, may delay withdrawing their super.

Treating those transactions as determinative risks overstating retirement status for some members, while understating it for others whose retirement circumstances are better reflected by their broader pattern of account activity and product use. APRA should remove lump sum withdrawals as a proxy for retirement status.

Removing lump sum withdrawals from the current period retirement status would also address a current internal inconsistency between current and previous period retirement classifications. This would ensure that movements over time are more meaningful and comparable.

SMC also believes that including data around "inactive" status in the reporting (consistent with the approach currently used in Reporting Standard SRS 611.0) would add an important dimension to the data collection. For a member aged over 60, 16 months of not receiving contributions could be an indicator that they are effectively retired, even if they have not yet commenced a retirement income stream or otherwise meet the proposed retirement classification. While inactivity may arise for a range of reasons, without an inactive category, members may be grouped in a way that obscures an important distinction between those who are still actively accumulating and those who might have left the workforce but are too disengaged to act on it.

Ultimately, given the complexity of factors behind particular member behaviours and decisions, there is no single perfect proxy metric for retirement status. This underscores the importance of contextualisation of reported data and clarity around how it will be interpreted in supervision.

Member balance bands

The proposed member balance bands should be reviewed to better support interpretation of the data. At the lower end of the distribution, APRA should consider aggregating some of the smaller balance bands so the reporting framework does not create unnecessary fragmentation in cohorts that may be less analytically useful. In particular, the current four balance bands below $25,000 appear to provide a level of granularity that would have limited value for policy analysis or retirement income strategy considerations and could be consolidated into two broader bands without materially reducing the interpretive value of the data.

By contrast, greater granularity within the $500,000 to $999,999 range is warranted. This is likely to become an increasingly important cohort over the next few years as the retirement system further matures and a larger proportion of members move into retirement with balances in that range. From a policy perspective, more granular reporting within this band may assist in identifying differences in drawdown behaviour, product usage and retirement income outcomes that could otherwise be obscured in a broad cohort. Narrower bands are warranted because this range can span materially different interactions with the Age Pension means test, including relevant asset thresholds and taper effects, with important implications for drawdown behaviour, product choice and interpretation of member outcomes. SMC also suggests that the top band be set at $3 million+ so that it aligns with current policy thresholds, including Division 296.

Balance utilisation

There will be some challenges to reliably operationalise a measure based on the balance at commencement of retirement. The relevant starting point may date back many years or decades and, in some cases, historical commencement data would be unavailable or incomplete, including following successor fund transfers. A further practical difficulty is that the metric depends on information that may only become available with a lag, such as a member's death and the final treatment of their remaining super balance. These limitations need to be reflected in how the metric is defined and reported. For example, as SMC previously recommended in its submission to Treasury, using longitudinal panels over 5 and 10 years to report the distribution of the proportion of balances remaining could be more achievable in practice.

SMC also considers that any balance utilisation measure would require appropriate contextual information in order to be interpreted meaningfully. In particular, it would be important to understand whether any remaining balance was paid as, or converted to, a reversionary benefit for a surviving spouse or dependent child, as that may materially affect whether lower apparent balance utilisation reflects poor retirement income outcomes or simply the continuation of retirement income support within the household.

Appropriate cohorting of balance utilisation information is also crucial. A member's starting balance and age at death are key factors in determining drawdown behaviour and in assessing the policy significance of low or high balance utilisation outcomes. Without that context, there is a risk the metric is interpreted in a way that obscures genuine differences in retirement trajectories and leads to misleading conclusions about product performance or member outcomes.

Implementation expectations – timing and treatment of unavailable data

We note the significant scale of the task required to build, test and operationalise new reporting processes and data capabilities, and APRA's current proposed collection for Quarter 4 of 2027. This work will follow the vast operational task of navigating the first year of operations for payday super in 2026/27. SMC therefore advocates for the first data collection for the RRF occur right towards the end of APRA's proposed quarter - in December 2027 - to maximise system preparedness for the first major reporting exercise of this scale and breadth.

SMC also advocates for APRA to publish greater clarity on how trustees should report where data is not reasonably available, particularly given the short implementation period for the framework. This includes the underlying data limitations for historical data noted above in the context of the balance utilisation metric. As funds work through implementation in detail, additional data issues are likely to emerge.

In those circumstances, APRA should make clear that trustees will be expected to use best endeavours to report as accurately as possible using the information reasonably available to them. A clear signal from APRA on this point would support more consistent implementation, reduce unnecessary compliance risk, and better align reporting expectations with operational reality.