Implementation of Government's Retirement Reporting Framework - APRA's proposals

The Australian Prudential Regulation Authority (APRA)

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Introduction

I welcome APRA's substantial revision of the proposed reporting architecture following the first consultation because it demonstrates that consultation has produced practical changes. In *Retirement Reporting Framework: response to consultation and final consultation on the revised draft reporting standards*, Australian Prudential Regulation Authority, APRA records that it received 14 submissions from RSE licensees, industry associations, consumer representatives and research organisations, conducted three industry roundtables and 14 bilateral meetings, and revised the collection to reduce complexity while seeking to preserve the Government's intended indicators and metrics.

This final consultation is deliberately narrow and this submission remains within that scope. It addresses material issues in the revised standards, implementation difficulties, matters that should be addressed in the new Reporting Practice Guide, publication consequences that arise directly from the revised data architecture, and the distinction between legitimate confidentiality and member privacy.

My central concern is not that APRA should collect more information merely because additional information might be useful. The stronger principle is that information which is collected and ultimately published should measure what it says it measures, disclose material limitations and proxies, avoid inviting conclusions that the underlying data cannot support, and justify the real reporting resources consumed in producing it.

I raised the broader limits of the Framework in my earlier submission *Implementation of Government's Retirement Reporting Framework*, submitted to the Australian Prudential Regulation Authority. I do not repeat the argument that the Framework should be

expanded into a complete comparison of Australia's retirement income system because that would reopen policy outside the present final consultation, but the narrower measurement principle remains directly relevant because an RSE level observation should not acquire a whole of retirement meaning that the data cannot support.

First principles: the metric must not outrun the data

The starting point should be correspondence between label, calculation and meaning because a mathematically correct calculation can still mislead if its public description implies that something different was measured. *Technical Paper: Calculations and mapping of Retirement Reporting Framework indicators and metrics to APRA's reporting standards*, Australian Prudential Regulation Authority, usefully maps the Framework metrics to their source fields, but that transparency also exposes several remaining mismatches between the stated metric and the information actually collected.

The second principle should be proportionality because reporting is not resource free. Data extraction, systems development, validation, audit, assurance, governance and regulatory engagement all consume labour and technical capability, so removing low value reporting is legitimate but the reciprocal requirement is that information retained should perform a clear supervisory or public purpose.

In *Transition of Superannuation D2A Data Collections to APRA Connect*, submitted to the Australian Prudential Regulation Authority, I argued that simplification should not be measured merely by counting fields removed and that replacement information should be tested for equivalent definition, reporting level, historical continuity and publication capability. In *Streamlining FAR Administration*, submitted to the joint Australian Prudential Regulation Authority and Australian Securities and Investments Commission consultation, I similarly argued that simplification should be judged by what the regulatory system can still see and establish after information disappears, which is the appropriate test where SRS 611.1 has deliberately been simplified.

The third principle should be interpretability because the final regulatory product is not the reporting form but the meaning subsequently taken from it. *Retirement Reporting Framework: response to consultation and final consultation on the revised draft reporting standards*, Australian Prudential Regulation Authority, describes the Framework as supporting understanding of how RSE licensees assist members navigating retirement and providing transparency for consumers, industry and policymakers, so interpretation is not incidental to the collection but central to its purpose.

“Balance at death” should mean balance at death

The clearest remaining problem concerns Metrics 3 and 3.1 because their labels refer to balance at death while their calculations use balances measured at the start of the reporting period. *Technical Paper: Calculations and mapping of Retirement Reporting Framework indicators and metrics to APRA’s reporting standards*, Australian Prudential Regulation Authority, describes Metric 3.1 as the average balance at death for accumulation members but calculates it from the accumulation member benefit amount at the start of the reporting period for members who later die, while Metric 3 similarly uses pension benefits at the start of the reporting period when assessing balance utilisation for members who later die.

That is not a semantic distinction because the start of period may precede death by almost a year and the balance may change materially through investment returns, fees, contributions, withdrawals or other events. The underlying number is therefore a proxy for balance at death rather than an observed balance at death, and the difference can affect both the calculated value and the conclusion a reader draws from it.

The point is made explicit in *Reporting Practice Guide SRS 611.1 Retirement Member Profile*, Australian Prudential Regulation Authority, which gives an example of an accumulation member beginning the period with $100,000, withdrawing $10,000, later dying with a $93,000 death benefit and nevertheless having the $100,000 start of period amount used as the proxy for Metric 3.1. APRA’s example is useful because it openly identifies the proxy, but it also demonstrates why the public metric should not be labelled as though an actual balance at death had been measured.

APRA should therefore either collect or derive a value that reasonably represents balance at death or rename the relevant metrics so the proxy is apparent from the description. If the start of period measure is retained to avoid disproportionate reporting burden, that may be a legitimate design choice, but reducing burden does not justify describing the resulting value as something it is not.

Payment metrics exclude some people who received payments

A second material issue arises because the payment metrics are calculated from Table 1, while Table 1 is constructed around accounts held at the end of the reporting period. *Technical Paper: Calculations and mapping of Retirement Reporting Framework indicators and metrics to APRA’s reporting standards*, Australian Prudential Regulation Authority, describes Metric 2.2 as the average value of all retirement income stream benefit payments paid to members and calculates Metrics 2.2, 2.3 and 2.4 from Table 1 payment and member fields.

Reporting Practice Guide SRS 611.1 Retirement Member Profile, Australian Prudential Regulation Authority, expressly states that payment and withdrawal amounts from pension accounts closed during the reporting period are not reported in the relevant Table 1 fields because those accounts were not held at the end of the reporting period. It also gives the example of a member who withdraws $10,000 and subsequently dies during the year, with neither the member nor that payment included in Table 1 because the member held no account at year end.

The resulting population is therefore narrower than the ordinary meaning of "all" payments made during the year because some members who actually received payments are excluded when their relevant account is no longer held at the reporting date. That may be an intentional and proportionate simplification, but if so, the public description should identify the population actually measured rather than imply complete coverage of payments during the reporting period.

APRA should test Metrics 2.2 to 2.4 against common exit scenarios before finalisation and determine whether the revised Tables 2 and 3 restore the information necessary for the Government's intended measures. If they do not, APRA should either change the collection or narrow the description of the metrics so that the published measure corresponds to the surviving data.

An RSE member profile is not a whole person retirement profile

A further boundary problem arises because SRS 611.1 observes the member through the reporting RSE rather than across the entire superannuation system. *Reporting Practice Guide SRS 611.1 Retirement Member Profile*, Australian Prudential Regulation Authority, explains that multiple accounts held by a member within an RSE are aggregated for relevant reporting purposes, while the reporting standard repeatedly frames product holdings and commencement status by reference to products held with that RSE.

That distinction becomes important when *Technical Paper: Calculations and mapping of Retirement Reporting Framework indicators and metrics to APRA's reporting standards*, Australian Prudential Regulation Authority, describes Metric 1.1 as the proportion of members who have an "accumulation account only". The calculation establishes whether the member has only an accumulation account within the product holdings reported by that RSE, but it cannot establish that the member has no retirement income stream or other superannuation interest with another RSE.

Overview of trend towards single accounts, Australian Taxation Office, reports that a substantial number of Australians continue to hold multiple superannuation accounts. That does not establish that every multiple account holder has interests with different

RSEs, but it is sufficient to show that concurrent holdings outside a reporting RSE cannot safely be treated as an insignificant edge case.

The same limitation applies to the indicator recording whether a member commenced a retirement income stream because *Reporting Standard SRS 611.1 Retirement Member Profile*, Australian Prudential Regulation Authority, asks whether the member held such a product with the RSE at the start of the period. A member can therefore be correctly recorded under SRS 611.1 while having a different retirement income stream elsewhere, which is not a reporting error but becomes an interpretative error if the published measure is presented as a complete description of the person.

This boundary is consistent with *Implementation of the retirement income covenant: Findings from the joint APRA and ASIC thematic review*, Australian Prudential Regulation Authority and Australian Securities and Investments Commission, which found that meaningful understanding of retirement circumstances can require information beyond a member's RSE balance, including home ownership, partner circumstances and assets or income outside the RSE and outside superannuation. That evidence does not mean SRS 611.1 should attempt to collect the whole person, but it does mean APRA should describe RSE observations as RSE observations rather than allow them to imply knowledge the collection does not possess.

The Reporting Practice Guide should address concurrent holdings across RSEs

The new Reporting Practice Guide is a useful response to implementation complexity because it gives practical examples concerning multiple accounts within an RSE, pension restarts, death benefits, account closure and successor fund transfers. *Reporting Practice Guide SRS 611.1 Retirement Member Profile*, Australian Prudential Regulation Authority, also makes clear that the guide assists implementation but does not itself create enforceable requirements.

The guide deals with successor fund transfers by requiring the receiving RSE to use historical information from the transferring RSE where necessary to determine whether a retirement income stream existed at the start of the reporting period. It does not presently provide the same clarity for a member who continues simultaneously to hold interests with two or more RSEs, even though that scenario creates an obvious boundary between an RSE level classification and a whole of member interpretation.

APRA should add worked examples involving a member who holds an accumulation account with one RSE and a retirement income stream with another and a member who holds retirement products with multiple RSEs. The examples should explain both how the reporting RSE completes the return and how the resulting metric should subsequently be described so that technically correct fund data is not converted into a conceptually incorrect whole of system statement.

The first reporting period has already begun

The implementation timetable also requires clarification because the revised standard specifies a first reporting period that precedes finalisation of the standard. *Reporting Standard SRS 611.1 Retirement Member Profile*, Australian Prudential Regulation Authority, specifies the first reporting period as the year ending 30 June 2027, meaning that the underlying reporting period commenced on 1 July 2026 while the revised standard, technical paper and practice guide remained under consultation.

This does not necessarily make the timetable unworkable because many required data elements may already exist in trustee systems and APRA has deliberately reduced complexity. It does, however, mean that implementation is partly retrospective because trustees may be required to reconstruct or classify events that occurred before the final reporting requirements, definitions, validation rules and guidance were settled.

That creates a practical incentive problem because uncertainty discovered after an event has occurred cannot always be cured through prospective systems changes. APRA should therefore identify any fields requiring event level information that could not reasonably have been captured under the final specification when the event occurred, explain how reconstruction should be handled, and ensure that reporting entities are not forced to manufacture precision that their contemporaneous records cannot support.

In *Transition of Superannuation D2A Data Collections to APRA Connect*, submitted to the Australian Prudential Regulation Authority, I argued that testing should precede reliance upon a new reporting architecture rather than become the mechanism by which defects are discovered after implementation. The same principle applies here because a first reporting period already in progress makes early clarification and realistic end to end testing more important, not less.

Descriptive metrics should not become implied performance rankings

The Framework also needs protection against a foreseeable incentive once fund level information becomes public because descriptive metrics can readily be converted into de facto performance rankings. Measures of drawdown, lifetime income product uptake, movement into retirement products and use of financial advice do not necessarily have a single direction in which a higher or lower number is inherently better for every member or every fund population.

Retirement Reporting Framework final design, Australian Treasury, establishes a transparency framework rather than a pass or fail performance test and recognises that different funds serve different membership profiles. *Retirement Reporting Framework: response to consultation and final consultation on the revised draft reporting standards*,

Australian Prudential Regulation Authority, similarly records concerns about publication, comparison and contextualisation and leaves detailed publication design for further development.

The incentive should be designed for rather than assumed away because funds, media organisations and commercial comparison services will have understandable reasons to convert complex information into simple comparisons, while consumers may reasonably infer that prominently displayed higher or lower values indicate superior performance. APRA cannot control every downstream use of public information, but it can reduce foreseeable misinterpretation by refusing to embed an implied ranking in its own presentation and by making populations, denominators, exclusions and interpretative limits visible.

Consumer engagement should match the consumer purpose

There is also a legitimate process issue, although the evidence supports an argument about asymmetry rather than exclusion. *Retirement Reporting Framework: response to consultation and final consultation on the revised draft reporting standards*, Australian Prudential Regulation Authority, records consumer representatives among the 14 submissions but describes three industry roundtables and 14 bilateral meetings without identifying the participants in those bilateral discussions.

Proposed superannuation data collection to implement the Government's Retirement Reporting Framework, Australian Prudential Regulation Authority, also expressly described active engagement with industry stakeholders through roundtables and feedback sessions. That industry engagement was necessary because RSE licensees possess the systems and operational knowledge needed to test feasibility, but the public record does not demonstrate an equivalent program of direct consumer testing adapted to ordinary members and retirees.

The distinction matters because a technically dense reporting consultation predictably favours participants with regulatory, actuarial, legal and data expertise. That is an inference about the design of the process rather than evidence that APRA deliberately excluded consumers, and the existence of submissions from Super Consumers Australia, Victims of Financial Fraud and an individual consumer confirms that consumer perspectives were capable of entering the consultation.

The stronger point concerns the next stage because the ultimate publication is intended partly for consumers. *From superficial to super engaged: Better practices for trustee retirement communications*, Australian Securities and Investments Commission, identifies better practice in testing communication formats with member cohorts and tailoring communications to people with different levels of financial literacy and different needs, so there is a regulatory consistency question if trustees are expected to

test communication with members while APRA designs a consumer transparency product principally through institutional participants.

The publication design process should therefore include direct comprehension testing with ordinary members and retirees as well as consumer organisations and industry. The relevant test is not whether participants find the presentation attractive but whether they correctly understand what each metric measures, what it excludes, whether it applies only within the reporting RSE and whether it represents description rather than a judgment of quality.

Publication design cannot repair missing data

APRA plans to undertake further publication design work after the reporting architecture is settled, which is understandable because a stable dataset is needed before presentation can be finalised. *Technical Paper: Calculations and mapping of Retirement Reporting Framework indicators and metrics to APRA's reporting standards*, Australian Prudential Regulation Authority, states that additional calculations supporting publication segmentation will be considered during later publication design work.

The limit is that presentation can rearrange, aggregate, suppress and explain information but cannot create a missing population, transaction or denominator after the collection has been fixed. No later graphic design can convert a start of period balance into an observed balance at death, restore payments excluded because an account closed before year end, or make an RSE specific classification into a whole of system observation.

APRA should therefore conduct a publication feasibility test before the collection design becomes effectively irreversible. Mock public tables should be generated from realistic test data and tested both analytically and with consumers so that missing contextual information is identified while the underlying architecture can still be corrected.

Privacy and commercial sensitivity should not be conflated

Commercial confidentiality and member privacy should be treated separately because they protect different interests and require different tests. *Consultation on the confidentiality of data used in ADI quarterly publications and additional historical data*, Australian Prudential Regulation Authority, reflects APRA's established approach of weighing public benefit from disclosure against commercial detriment, which provides a sound basis for requiring commercial sensitivity to be demonstrated at the level of the relevant data item rather than asserted generally.

Member privacy requires a different analysis because disclosure risk can arise from combinations of otherwise innocuous variables. *De-identification and the Privacy Act*,

Office of the Australian Information Commissioner, explains that re-identification risk depends upon context, uncommon characteristics and other information capable of being combined with the released data, while *Treating aggregate data*, Australian Bureau of Statistics, recognises that overlapping tables can permit differencing and that confidentiality treatments can themselves affect analytical usefulness.

That is particularly relevant where age, sex, benefit bracket, product holdings and behaviour can be combined within small funds or unusual products. APRA should assess disclosure risk across the complete publication environment and across repeated annual releases rather than treating each published cell as an isolated disclosure.

In *Management of client privacy in the Australian public sector*, submitted to the Joint Committee of Public Accounts and Audit, I argued that privacy should protect people rather than become a general institutional shield from accountability. In *Privacy Amendment (Personal Data Protection) Bill 2026*, submitted to the Attorney General's Department, I similarly argued that context and aggregation can materially change privacy risk, which supports strong member protection while resisting unsupported claims that ordinary aggregate fund information should remain secret merely because it has commercial relevance.

Follow the data and follow the resources

The Framework should retain a public lineage from reported field to published metric because information changes form several times before reaching the public. Trustee data is classified through APRA definitions, aggregated into cohorts, submitted to APRA, transformed through formulas, subjected to disclosure controls and ultimately presented through a publication, and meaning can change at each step without any arithmetic error occurring.

In *Minor updates to the prudential framework*, submitted to the Australian Prudential Regulation Authority, I argued that a change is substantive where it affects a calculation, classification, historical series or supervisory signal even if it is described administratively as technical. In *Transition of Superannuation D2A Data Collections to APRA Connect*, submitted to the Australian Prudential Regulation Authority, I similarly argued for data crosswalks and historical continuity, and those principles should apply once the Retirement Reporting Framework begins producing a public time series.

Technical Paper: Calculations and mapping of Retirement Reporting Framework indicators and metrics to APRA's reporting standards, Australian Prudential Regulation Authority, already provides the foundation by identifying source fields, numerators, denominators and dimensions. APRA should maintain that work as a public metric register recording the precise population, source fields, formula, material exclusions,

proxies, confidentiality treatment and methodological changes for each published measure.

This also follows the resources because reporting burden should be justified by informational value rather than field count. If a data item consumes extraction, assurance and governance resources but does not materially improve supervision or public understanding it should be questioned, while information necessary to prevent a materially misleading metric cannot be dismissed merely because collecting it creates some cost.

Regulatory coherence requires disciplined boundaries

The retirement framework sits across APRA, ASIC, Treasury, the Australian Taxation Office, Services Australia and privacy and statistical institutions, so no single dataset should be assumed to describe the whole person. *Implementation of the retirement income covenant: Findings from the joint APRA and ASIC thematic review*, Australian Prudential Regulation Authority and Australian Securities and Investments Commission, demonstrates that retirement circumstances can depend on information outside an RSE and outside superannuation, while the present Framework is designed around a narrower regulatory collection.

The appropriate response is not to combine every government dataset into one collection because that would create substantial privacy, governance and burden problems. The stronger regulatory rule is that each dataset should be used within the limits of what it actually observes and that partial information should not acquire a claim to completeness merely because it is nationally collected and officially published.

End to end testing and post implementation review

APRA should test the complete chain from member event to public metric rather than limiting implementation testing to successful submission of reporting forms. The test should include deaths at different points in the reporting period, account closures before year end, pension restarts, successor fund transfers, concurrent holdings across RSEs, lump sum withdrawals, small cohorts and circumstances in which confidentiality treatment materially changes what can be published.

The purpose is not to demand perfect foresight because any new national collection will reveal unforeseen issues after implementation. The purpose is to distinguish consciously accepted limitations from accidental defects before those limitations become embedded in an official historical series.

In *Getting the balance right: Enhancing credit risk capital for authorised deposit taking institutions*, submitted to the Australian Prudential Regulation Authority, I argued that

implementation should be followed by a public review once sufficient experience exists to distinguish transitional effects from persistent problems. APRA should make the same commitment here and review the first collection for inconsistent interpretation, missing populations, excessive suppression, anomalous cohort fragmentation and divergence between metric labels and what the underlying data actually establish.

Recommendations

APRA should proceed with the revised Framework but correct the remaining mismatch between metric labels and source data. Metrics described as measuring balance at death should either use a value that reasonably represents balance at death or be renamed so the start of period proxy is explicit, while payment metrics should state clearly where their populations exclude people whose relevant accounts closed before the reporting date.

APRA should also make the RSE boundary explicit wherever it materially affects interpretation. The Reporting Practice Guide should include concurrent multi RSE examples, and Metric 1.1 and related product classifications should not be presented in a way that suggests APRA has established the member's complete superannuation or retirement position.

The commencement arrangements should be clarified because the first reporting period began before the revised standards were finalised. APRA should identify any information that must be reconstructed retrospectively, provide guidance on reasonable reconstruction where contemporaneous data was not collected to the final specification, and ensure that implementation does not require false precision.

The publication design should preserve the distinction between descriptive information and performance assessment and should be tested directly with consumers as well as industry. Consumer testing should determine whether people understand the population, denominator, RSE boundary, proxies and limits of each metric rather than merely whether they find the publication easy to read.

Commercial confidentiality should require specific demonstrated detriment, while member privacy should be protected through controls that account for small cohorts, overlapping tables and cumulative re-identification risk across datasets and years. APRA should publish enough information about those controls to explain analytical limitations without disclosing details that would defeat the protection.

APRA should maintain a public metric lineage register and undertake an end-to-end calculation and publication test before the first public release. It should then conduct an early post implementation review so that conceptual or methodological problems can be corrected before they become embedded in a multi-year series.

Conclusion

The revised Framework is materially stronger because APRA has reduced complexity, refined definitions and added practical guidance, but the remaining risks now lie primarily in the gap between a technically valid return and the meaning ultimately attributed to the resulting statistics. A start of period balance should not silently become a balance at death, an end of period account population should not silently become all recipients during the year, an RSE specific classification should not become a whole person classification, and a descriptive metric should not become a performance ranking merely because comparison is convenient.

The same discipline should apply to implementation and consultation because industry expertise is necessary to determine whether the collection can operate, while consumer participation is necessary to determine whether the resulting publication can be understood without misleading inference. The appropriate response is therefore not less industry engagement but a deliberate balancing of technical feasibility, consumer comprehension, privacy, transparency and reporting burden.

If APRA hardens those boundaries before finalisation, the Framework can provide a more accurate and useful account of what is occurring within the compulsory superannuation system. That would tie reporting burden more closely to identifiable informational value, preserve legitimate member privacy without unnecessarily shielding institutions, improve consistency across the regulatory system and reduce the risk that the resulting data is given a meaning it cannot support.

That conclusion should not, however, be mistaken for endorsement of the underlying compulsory superannuation architecture. As I argued in my earlier submission *Implementation of Government's Retirement Reporting Framework*, submitted to the Australian Prudential Regulation Authority, there remains a larger question about whether an increasingly elaborate structure of compulsory contributions, funds, trustees, investment managers, administrators, advisers, custodians, regulators, reporting systems and financial products is itself an efficient or necessary way to provide retirement security. Each additional reporting framework may improve visibility over that system, but it also illustrates how much institutional machinery is required to operate, supervise and explain it.

My broader position is that these continuing efforts risk becoming the regulatory equivalent of putting lipstick on a pig if the underlying system itself is not fit for purpose and generates layers of rent seeking that exist only because retirement saving has been made compulsory and channelled through a large financial intermediation industry. Better reporting can expose some of those features and better regulation can constrain

some of their consequences, but neither answers the prior question of whether the architecture should exist in its present form.

An alternative policy model would make additional retirement saving voluntary and underpin retirement income with a living Age Pension. People who wished to save, invest or purchase additional retirement products could continue to do so, but participation in a large private financial intermediation structure would no longer be compulsory on the premise that it secures retirement income when, in my view, compulsory superannuation does not itself guarantee an adequate or secure retirement income. Whether Australia should adopt such a model is ultimately a matter for Government and Parliament rather than this APRA implementation consultation, but the existence of that alternative remains relevant to the limits of what this exercise can achieve and to the larger question of whether the institutional complexity being measured and regulated is necessary in the first place.

The immediate task for APRA is therefore narrower and should be completed properly, but the existence of a technically improved reporting framework should not itself be treated as evidence that the system being reported upon is efficient, equitable or fit for purpose. Better measurement can make the compulsory superannuation system more transparent; it cannot, by itself, establish the case for retaining that system.