

5 September 2025



Ms Ruth Moore  
Assistant Secretary, Member Outcomes  
and Governance Branch  
Retirement Income and Superannuation Division  
Treasury

*via Treasury consultation portal*

Dear Ms Moore

## **RE: Retirement reporting framework – Consultation paper**

The Financial Services Council (FSC) welcomes the opportunity to provide feedback on Treasury's consultation on the Retirement Income Data Reporting Framework. The FSC and our members support the objective of improving transparency and the availability of information on retirement products and their contribution to retirement outcomes. We consider it important that the framework is purpose-mapped, proportionate, and focused on data trustees can reliably report without burdening members with significant additional costs. Behavioural measures may provide useful insights at a system level, but they should not be used for trustee-level comparisons. Several of the proposed indicators present challenges around feasibility, comparability, and regulatory burden. Retirement outcomes are shaped by highly personal circumstances, and members often have unique requirements from a product. Some proposed data points may therefore not provide meaningful insights or enable fair comparisons across funds. We encourage Treasury to refine the framework to focus on objective and consistently reportable measures that align with APRA's existing collections and can genuinely support improved transparency and policy development.

Please see *Attachment A: Consultation Paper Question Responses* for answers provided to specific questions asked in the consultation paper.

### **About the Financial Services Council**

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, and financial advice licensees.

The financial services industry is responsible for investing more than \$3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.

## Summary of Recommendations

1. Clarify the intended purpose of each data item, including whether it is for supervisory use, industry-wide analysis, or trustee-level publication;
2. Metrics relating to retiree behaviour should not be published at the trustee level to avoid perverse incentives and ensure that member outcomes remain aligned with individual needs and preferences;
3. Consult with industry on how any data intended for public release will be presented, to ensure it is contextualised and avoids misleading comparisons;
4. Ensure that any comparisons between products are framed as descriptive, centralised information to help consumers understand what is available, rather than as judgments of performance;
5. Avoid requiring standardised cohorts for reporting. Trustees should instead report using their own approaches, with a short explanation of how cohorts are developed and applied. Where appropriate, reporting could focus on how determinations are made for members in or approaching retirement, recognising that cohorts may change as the membership base evolves and that additional complexity should be avoided;
6. Refine the framework to focus on data that trustees can consistently and efficiently provide. Exclude measures that attempt to capture subjective or behavioural information, or information about advice and decisions outside the trustee's environment. Instead, such insights should be gathered through population-level surveys and broader research;
7. Prioritise the use of existing government data sources and improve data-sharing between regulators, such as the ATO and APRA, before introducing new trustee-level reporting requirements;
8. Acknowledge that drawdown and outcome measures are shaped by policy settings and personal behaviour, and avoid using these metrics as performance indicators of trustees;
9. Do not require publication of cohort numbers or data source lists. If needed, collect a brief supervisory-only cohort practice note, refreshed on RIS review or material change, with high-level governance and safeguards, and without numeric cohort counts or member-level data; and
10. For member engagement metrics, require trustees to disclose whether appropriate resources exist and are made accessible, rather than mandating reporting of usage statistics.

## Purpose and use of data

A central concern raised by FSC members is the lack of clarity around how the proposed data would be used and presented. It is not clear whether the indicators would form part of APRA's supervisory work, be published at the trustee level, or be aggregated to provide an industry-

wide view. Greater transparency on the purpose of each data item is needed to assess both feasibility and the risk of misinterpretation.

Some of the proposed measures, such as data on drawdown rates and the availability of longevity products, imply that higher drawdown rates or greater take-up of certain products may be considered indicative of better outcomes. This is not a settled or universally agreed conclusion, and such assumptions are not necessarily applicable across different funds or members. Individuals ultimately retain the right to decide what drawdown patterns or retirement products best suit their needs, and outcomes should not be judged against a single behavioural benchmark. These metrics may be useful to inform government policy and provide a system-wide view of retiree behaviour, but they are not reliable or fair indicators for comparing trustee performance. Publishing them at the trustee level risks creating perverse incentives, which may not be in the best interests of members.

**RECOMMENDATION 1**

Clarify the intended purpose of each data item, including whether it is for supervisory use, industry-wide analysis, or trustee-level publication.

**RECOMMENDATION 2**

Metrics relating to retiree behaviour should not be published at the trustee level to avoid perverse incentives and ensure that member outcomes remain aligned with individual needs and preferences.

**RECOMMENDATION 3**

Consult with industry on how any data intended for public release will be presented, to ensure it is contextualised and avoids misleading comparisons.

## Comparability of retirement products

Retirement outcomes are inherently difficult to compare because each retiree's circumstances are shaped by factors such as home ownership, inheritance planning, and behavioural attitudes toward risk and spending. Members also have different needs from retirement products: some will prioritise liquidity and flexibility, others higher-yielding investments, and others a guaranteed income stream. For this reason, metrics such as drawdown rates or the extent to which members are using longevity protection may be useful for system-level policy analysis but are not a fair or accurate basis for comparing funds. Drawdown rates in particular are inherently non-comparable: they vary for legitimate personal reasons not visible to trustees and differ across funds depending on their demographic profiles and member needs.

When comparisons are made, they should focus on descriptions of the offerings available at each fund, such as whether intra-fund advice is provided or whether calculators and retirement modelling tools are offered. A centralised source of information on the types of products available would assist consumers in making decisions without implying that one approach is superior to another. However, there should be no expectation that all funds must offer a

standard set of products. Trustees should retain discretion to develop solutions that reflect their membership’s needs, rather than being driven by a checklist of expected offerings that may not be relevant or taken up.

Trustees are best placed to determine which cohorts are relevant to their membership and to tailor product offerings accordingly, consistent with their duty to act in the best interests of members. Some funds may design annuity products suited to particular cohorts, while others may focus on account-based pensions with segmentation by balance or risk appetite. Because this tailoring reflects the demographic profile and needs of each fund’s membership, reporting on the number of cohorts is inherently non-comparable across funds and risks misleading conclusions. Imposing industry-wide standardised cohorts would also lead to generic, “vanilla” cohorting across the sector, producing categories that are either too broad to be meaningful or so numerous they become unworkable. This would stifle innovation and reduce the flexibility trustees need to design retirement offerings that genuinely reflect the diversity of their members.

**RECOMMENDATION 4**

Ensure that any comparisons between products are framed as descriptive, centralised information to help consumers understand what is available, rather than as judgments of performance.

**RECOMMENDATION 5**

Avoid requiring standardised cohorts for reporting. Trustees should instead report using their own approaches, with a short explanation of how cohorts are developed and applied. Where appropriate, reporting could focus on how determinations are made for members in or approaching retirement, recognising that cohorts may change as the membership base evolves and that additional complexity should be avoided.

**Some data points are expensive or not able to be provided**

The proposed framework includes data points that are not readily available to trustees or would be prohibitively costly to provide. Trustees may be able to track basic engagement indicators, such as whether members open emails, but they cannot reliably measure whether members act on advice or make subsequent decisions, particularly when such actions may be delayed or relate to assets and financial arrangements outside the trustee’s infrastructure. For example, it is nearly impossible for a trustee to know with certainty whether a member has acted on intra-fund or comprehensive advice. A member might receive advice and then delay implementing it, or might apply the advice to parts of their financial situation that sit outside the superannuation fund. Where comprehensive advice is provided externally, trustees generally have no visibility of whether it occurred, what was recommended, or whether it was implemented.

In addition, while some calculators and tools hosted within secure member portals can be monitored, broader website activity such as page views or time spent online is not meaningful and varies considerably depending on the fund’s design and strategy. Public website resources

can be accessed by anyone, not just members, and it is impossible to know the characteristics of the individual who has accessed the information. Attempting to measure member-level behaviour in this way would therefore generate inconsistent results, add cost, and fail to deliver useful insight.

Data points on 'retirement readiness' or confidence present further challenges. Trustees do not have visibility of members' total financial positions, including non-superannuation assets, debts, or household circumstances. Any measure produced at the trustee level would therefore rely on assumptions that risk misrepresenting actual readiness or confidence. These types of behavioural and attitudinal data are more appropriately collected through population-level surveys, such as those conducted by the ABS, which can provide representative and comprehensive insights.

Before imposing additional trustee reporting, existing government-held data should also be fully leveraged. Improved data-sharing between agencies such as the ATO and APRA could provide a more complete and accurate picture of retirement outcomes across the system, reduce duplication, and lower implementation costs for funds and ultimately members.

#### **RECOMMENDATION 6**

Refine the framework to focus on data that trustees can consistently and efficiently provide. Exclude measures that attempt to capture subjective or behavioural information, or information about advice and decisions outside the trustee's environment. Instead, such insights should be gathered through population-level surveys and broader research.

#### **RECOMMENDATION 7**

Prioritise the use of existing government data sources and improve data-sharing between regulators, such as the ATO and APRA, before introducing new trustee-level reporting requirements.

### **Some data points will not provide the intended meaningful information**

Even where the proposed measures could technically be reported, their usefulness in assessing member outcomes is questionable. Data on drawdown patterns, for example, will inevitably reflect a mix of government-mandated minimums, member account balances, age pension eligibility, market conditions, and individual preferences. Using such data as a proxy for trustee performance would therefore be misleading, as it conflates external factors beyond the trustee's control with trustee strategies.

Requiring trustees to report the number of cohorts or underlying data sources would provide little benefit to members and risks becoming a compliance exercise. This information is not always stored in an extractable format, and as Retirement Income Strategies (RIS') are only reviewed every three years, reported data may remain static for long periods.

A numeric count of cohorts is not informative, may be misinterpreted as a proxy for quality, and could even encourage unnecessary proliferation of cohorts introducing greater degrees of

inefficiency and cost to industry without improving outcomes. Transparency is better achieved by focusing on how cohort insights are used to inform product design, communications, and support for members.

On member engagement tools, measuring activity such as time spent on websites or the number of calculator sessions would produce unreliable and potentially misleading results. Time on a webpage does not indicate comprehension or improved decision-making, and high usage rates could reflect confusion rather than effective engagement. Such measures could also create perverse incentives for trustees to drive traffic rather than focus on quality. A more proportionate and useful approach would be for trustees to confirm whether key resources are available and accessible to members, including retirement calculators, projection tools, and educational materials. This would ensure that members have access to essential resources without relying on artificial usage metrics.

**RECOMMENDATION 8**

Acknowledge that drawdown and outcome measures are shaped by policy settings and personal behaviour, and avoid using these metrics as performance indicators of trustees.

**RECOMMENDATION 9**

Do not require publication of cohort numbers or data source lists. If needed, collect a brief supervisory-only cohort practice note, refreshed on RIS review or material change, with high-level governance and safeguards, and without numeric cohort counts or member-level data.

**RECOMMENDATION 10**

For member engagement metrics, require trustees to disclose whether appropriate resources exist and are made accessible, rather than mandating reporting of usage statistics.

The FSC welcomes the opportunity to meet to discuss the matters outlined in this submission. If you would like to arrange a meeting, please do not hesitate to contact me.

Yours sincerely



Aidan Johnson  
Policy Manager, Investments and Superannuation

## Attachment A: Consultation Paper Question Responses

Indicators of Fund Offerings	
<p><i>Do the proposed indicators of fund offerings provide meaningful insight into trustee practices in supporting member outcomes in retirement?</i></p>	<p>Partly. Indicators that simply confirm the existence and accessibility of core capabilities can illuminate trustee practice. Examples include whether alternative drawdown guidance is made available at decision points, whether members can access intra-fund and comprehensive advice pathways, whether longevity solutions are offered on-platform or via referral, and whether retirement information is easy to find within the account-based pension application flow. These shed light on what trustees have put in place to support members, without forcing comparisons that are heavily shaped by member mix or policy settings.</p> <p>The indicators become less meaningful when they start to imply a ranking by breadth or volume. Retirement is personal and funds serve very different memberships. A larger catalogue of offerings is not necessarily better if it overwhelms members or conflicts with the fund’s strategy for its cohorts.</p>
<p><i>Are there other aspects of retirement offerings that are relevant for the measurement of members’ retirement outcomes?</i></p>	<p>Yes. Beyond core retirement products, it is relevant to capture how trustees support members with broader sources of retirement income, such as Age Pension guidance, understanding interactions with government benefits, and planning for aged care. Fund offering metrics could also include whether trustees provide strategies to help members manage investment and sequencing risk. These features, alongside broader guidance, can materially improve members’ confidence and financial wellbeing in retirement.</p>
<p><i>Are there any indicators that should not be included?</i></p>	<p>Avoid indicators that try to capture the intensity of engagement or the volume of options as a proxy for quality. Number of emails sent, time on website, page views, and raw calculator counts are not reliable and can be accessed by anyone, not just members, and also be gamed by design. Also avoid over specifying the ‘number of drawdown options’ or the ‘number of calculators’, since more is not always better.</p>
<p><i>Do trustees hold the necessary data in an accessible format to report on these measures? If not, what are the barriers?</i></p>	<p>Trustees can report capability existence and placement with high reliability. Some aspects of the proposed data collection may be able to be provided with the assistance of fund administrators. Generally, barriers for trustees arise when indicators require:</p> <ul style="list-style-type: none"> <li>• Off-platform data, such as whether a member implemented advice from an external provider.</li> <li>• Third-party product data, for example balances or income characteristics of external longevity products accessed via referral.</li> <li>• Fine-grained web analytics, such as time spent of web</li> </ul>

	<p>pages, that differ by platform, making cross-fund comparisons unreliable. Further issues would arise when this type of data needs to be combined with other data used for APRA reporting purposes which would have high cost and audit requirement burden associated with it.</p> <ul style="list-style-type: none"> <li>• Any data relating to what advice is received and whether that advice has been implemented cannot be achieved.</li> </ul>
<i>Should these indicators evolve over time to reflect changing industry practice and what could be a suitable point to reassess these metrics?</i>	Yes. Build in a formal review after two reporting cycles to test usefulness, burden, and any unintended incentives. Additional future reviews may assist with adaptability as the market changes going forward.
<i>Should there be an indicator measuring the level of proactive engagement funds have with their members on each of these indicators?</i>	Caution is needed if measuring proactive engagement, to avoid creating incentives for trustees to overwhelm or “spam” members with communications. In the context of the proposed <i>Delivering Better Financial Outcomes</i> legislation, a more appropriate approach could be to report on the delivery of the new ‘targeted member prompts,’ rather than introducing separate engagement metrics.
<i>How could the Framework measure the success of proactive engagement?</i>	Success should be measured by whether trustees make a broad range of retirement offerings and support pathways available at key decision points, and whether members are able to access and take up those offerings. This includes access to different retirement income stream products, guidance tools, and advice pathways. Focusing on availability and take-up provides a more meaningful measure than activity metrics such as email clicks or website time, which do not reliably reflect member outcomes.
<i>How should policy makers and industry consider measures of success in fund offerings?</i>	Success should be framed as members having access to appropriate pathways and protections when they make decisions.
<i>How should indicators of fund offerings reflect the decisions a trustee has taken to tailor their products to their members?</i>	Indicators should highlight how trustees tailor their offerings by focusing on the availability and quality of help, guidance, and advice services, alongside the take-up of key retirement measures. This ensures that reporting captures both the supports provided to members and the extent to which those supports are being accessed, without imposing a standardised product model across all funds.
<b>Members Outcome Metrics</b>	
<i>Which metrics are most appropriate to be considered as measures of positive outcomes for members in retirement?</i>	Use objective, interpretable measures based off information trustees typically retain, reported with context: <ul style="list-style-type: none"> <li>• Availability of drawdown options, such as different frequencies, flexibility in selecting the date of drawdown, and ability to change settings;</li> <li>• Time taken to process applications for transitions from accumulation products to or pension products; and</li> </ul>

	<ul style="list-style-type: none"> <li>Members of retirement age who have transitioned out of an accumulation product.</li> </ul>
<p><i>Do the proposed metrics provide meaningful insight into member outcomes in retirement?</i></p>	<p>Generally no. Most of the proposed metrics are not reliable measures of member outcomes, as they are heavily influenced by demographics and individual choices beyond trustee control. For example, results for transfer balance cap proportions, drawdown rates, and balance utilisation will be skewed by member profiles rather than reflecting trustee actions. The number of cohorts has no link to outcomes, and qualitative confidence measures are inherently non-comparable. Take-up of longevity products may offer some insight but still does not equate to positive outcomes for all members.</p> <p>A more meaningful approach is to focus on fund-level offerings, the range of retirement products, lifecycle or sequencing risk protections, and the guidance, tools, and advice pathways available to members. These are within trustee control and provide clearer insight into how trustees are supporting members in retirement.</p>
<p><i>Are there other metrics that are relevant for members' retirement outcomes?</i></p>	<p>Yes. In addition to quantitative reporting, a qualitative measure would provide useful context on members' experiences and confidence in retirement. This could be collected through survey-based research at the industry level, similar to the work already undertaken by rating agencies and research houses. Looking at a fund's wholistic retirement offering, rather than at the individual level would also assist in creating a more fulsome picture of what a trustee can offer their members. Such measures are better undertaken system-wide, as fund-level surveys would vary in methodology and would not produce comparable results across funds.</p>
<p><i>Are there any metrics that should not be included?</i></p>	<p>Recommend to exclude:</p> <ul style="list-style-type: none"> <li>Balance utilisation at trustee level, since it is knowable only at death and is dominated by factors outside trustee control;</li> <li>Website time and calculator counts, since they do not indicate understanding or decision quality and would significantly increase the complexity of reporting;</li> <li>Implemented advice rates, since off-platform actions are not observable and would require manual processes; and</li> <li>Any metrics that require subjectivity or assumptions to be made by the trustee (e.g. member confidence).</li> </ul>
<p><i>Do trustees hold the necessary data in an accessible format to report on these measures? If not, what are the barriers?</i></p>	<p>Trustees hold core data on age, balances, product type, and drawdowns that is relevant to the member's interest in the fund. Trustees generally do not generally hold or have access to information that relates to the member's personal circumstances outside of the fund (e.g. home ownership, non-super assets/income, and even relationship status).</p>

	<p>Other barriers include:</p> <ul style="list-style-type: none"> <li>Identifying Age Pension eligibility reliably is not possible without ongoing data sharing. Even if a member provides this information, trustees must be able to store it and it may quickly become out of date. A structured data feed from Services Australia would be needed to provide accurate and current Age Pension status; and</li> <li>Attributing outcomes when members have multiple accounts or switch providers.</li> </ul>
<p><i>Should these metrics evolve over time to reflect changing industry practice and what could be a suitable point to reassess these metrics?</i></p>	<p>Yes. Pilot, then reassess after two years. Use of working groups and further consultation could assist in aligning definitions and interpretations across industry.</p>
<p><i>How should policy makers and industry consider measures of success in members' outcomes?</i></p>	<p>Measures of success should avoid implying a single 'right' behaviour. A member clustered within an age-appropriate sustainable range may be consistent with good outcomes, yet variation is expected and legitimate. Success is better viewed as the combination of: a sensible distribution of drawdowns by age and balance, timely payment processing, and clear access to advice and safeguards.</p>
<p><i>How should metrics of members' outcomes reflect the decisions a trustee has taken to tailor their products to their members?</i></p>	<p>They should evidence tailoring at the level of the trustee's retirement offering, not by tracking individual outcomes. Report how the suite of solutions is designed and deployed for the membership: which product building blocks are available (account-based pensions, innovative income streams, longevity options or referrals), how guidance and advice pathways are embedded at key decision points, and what drawdown safeguards are in place. Accompany this with concise aggregate context, such as the cohorts the design targets and the share of new retirees for whom a tailored pathway was made available, supported by a short cohort note on data sources and review cadence. This shows the trustee's tailoring decisions while avoiding individualised metrics that are driven by circumstances outside the trustee's control.</p>
<p><i>Which contextual and demographic indicators should be incorporated into the Framework to reflect a member's outcomes?</i></p>	<p>Minimum set that is usually available:</p> <ul style="list-style-type: none"> <li>Age bands at first payment;</li> <li>Opening balance bands at commencement of retirement phase;</li> <li>Product type, such as account-based pension versus lifetime income stream; and</li> <li>Whether intra-fund advice was provided and whether comprehensive advice was referred by the fund in the cases where the trustee does have oversight of the advice relationship.</li> </ul>

## Cohorts

<p><i>Should the cohorting practices measures be information-gathering indicators or metrics measuring progress?</i></p>	<p>Cohorting measures should be framed as information-gathering indicators rather than progress metrics. The aim is to provide transparency on how trustees segment and design for their members, not to set a quota for the number of cohorts. Cohorting can be useful when applied appropriately, for example, to understand the distribution of membership, inform product design, guide the range of help, guidance and advice offered, target communications, and assess member outcomes in aggregate.</p> <p>It is equally important to guard against inappropriate uses, such as using cohorts to allocate products to individuals, excluding certain members (such as those with low balances) from product access, or recommending individual solutions based on cohorts, all of which risk breaching personal advice and anti-hawking rules. Finally, this reporting should not be used to compare funds, as each trustee is required under the Retirement Income Covenant to assess their own membership and design cohorts accordingly.</p>
<p><i>Should trustees report all metrics based on their unique cohorts or a standardised set developed in consultation with industry?</i></p>	<p>Report using trustee-defined cohorts. A standardised set would be blunt and quickly become unmanageable as dimensions are added. To preserve some comparability, require a small set of common descriptors in each cohort note, for example age range, balance range, and whether Age Pension eligibility is a design assumption.</p>
<p><i>What other measures could be considered to reflect a trustee's cohorting practises?</i></p>	<p>Reporting should focus on how trustees apply cohorts to inform product design, communications, and the range of help, guidance, and advice, rather than on the number of cohorts. A short trustee-defined note with common descriptors (such as age or balance ranges) could provide context, along with confirmation that safeguards are in place to prevent misuse. It should also be recognised that this information is not stored in a central database and may only change when a RIS is reviewed every three years, so reporting should be concise, supervisory in nature, and refreshed only when materially updated.</p>