2 June 2026

General Manager
Branch 4
Life, Private Health Insurance and Superannuation Division
Australian Prudential Regulation Authority
GPO Box 9836 SYDNEY NSW 2001

By email: RetirementDataConsultation@apra.gov.au

Dear General Manager,

RE: Feedback on the Proposed superannuation data collection to implement the Government's Retirement Reporting Framework

The Financial Services Council (**FSC**) welcomes the opportunity to make a submission to APRA's consultation on the proposed superannuation data collection to implement the Government's Retirement Reporting Framework.

The FSC supports the objective of the Government's Retirement Reporting Framework to improve transparency in the reporting and tracking of member retirement outcomes. Improved visibility of retirement products and how members are engaging with them has the potential to support more informed policy development, strengthen regulator understanding of emerging retirement trends and encourage continued innovation in retirement income solutions.

However, the FSC has significant concerns regarding the potential future use of the data collected under the framework, particularly any move toward a comparative "retirement product performance test". Retirement outcomes and retirement income strategies are inherently highly individualised and shaped by a broad range of personal circumstances, preferences and objectives. As a result, the data may not support meaningful like-for-like comparisons for this purpose. In the FSC's view, the framework should remain focused on supporting system-level insights and supervisory analysis, rather than evolving into a prescriptive benchmarking regime that could create unintended product design distortions or discourage innovation in retirement solutions.

More broadly, the FSC's recommendations seek to ensure that the proposed reporting framework remains proportionate, operationally workable and capable of delivering reliable and meaningful insights. In particular, our submission focuses on reducing unnecessary implementation complexity within the proposed *SRS 611.1 Retirement Member Profile*, including recommendations addressing the scale of cohort permutations and the operational challenges associated with commencement-based metrics and retrospective data reconstruction. The submission also recommends strengthened confidentiality and publication safeguards, clearer guidance and worked examples for complex retirement product structures and retirement strategies, and refinements to several proposed methodologies and definitions to improve consistency and comparability of reporting outcomes across industry participants. Collectively, these recommendations are intended to support APRA in effectively implementing the framework while also ensuring it remains practical to implement and appropriately calibrated to the intended supervisory purpose.

About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 130 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. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

The financial services industry is responsible for investing more than $4 trillion on behalf of over 16.9 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.

We would be pleased to provide Treasury with additional information in support of this submission on request. If you would like to discuss this submission further, please contact Julia Hukka, Policy Manager for Superannuation and Investment Platforms at jhukka@fsc.org.au.

Yours sincerely,

Julia Hukka
Policy Manager, Superannuation and Investment Platforms

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Recommendations

The FSC makes the following recommendations:

1.1. Regulatory Balance

Recommendation 1: that APRA explore whether certain metrics can be reported on an account-level basis, or alternatively permit the use of reasonable proxy methodologies where member-level aggregation is operationally impractical.

Recommendation 2: that APRA allow account/product commencement-related fields in SRS 611.1 to be estimated or reported as at the end of the reporting period.

Recommendation 3: that APRA review the proportionality of retrospective and look-back metrics within SRS 611.1 and consider transitional relief or alternative methodologies where implementation would require significant reconstruction of historical member data.

Recommendation 4: that APRA should either:

- finalise the reporting standards sufficiently in advance of the commencement of the first reporting period to support orderly implementation, including adequate time for engagement with administrators, system uplift, testing and assurance activities; or
- provide transitional relief for data points requiring commencement-of-period capture, where those fields are not currently retained in a reportable format.

Recommendation 5: that APRA adopt a phased implementation approach for higher-complexity metrics and cohort segmentation within SRS 611.1, including consideration of transitional reporting based on higher-level cohort groupings during the initial reporting phase.

Recommendation 6: that APRA consider whether there is scope to reduce the number of reporting permutations within fields 1-11 of Table 2 in SRS 611.1.

Recommendation 7: that APRA explore the merits and feasibility of adopting a de-identified member-level data collection approach as an alternative to cohort-level reporting under SRS 611.1.

Recommendation 8: that APRA clarify and broaden the financial advice reporting fields to appropriately capture:

- platform products where members typically access the product via an external financial adviser; and
- the availability of general advice and digital advice solutions.

1.2. Confidentiality

Recommendation 9: that APRA apply robust confidentiality, suppression and aggregation protocols to published retirement reporting data, including consideration of minimum cohort thresholds and safeguards for commercially sensitive product and advice utilisation metrics.

Recommendation 10: that APRA clarify that data collected under the Retirement Reporting Framework is intended to support system-level insights and supervisory analysis, and will not be used to construct a comparative retirement performance test or trustee ranking framework.

1.3. Publication

Recommendation 11: that APRA accompany published Retirement Reporting Framework data with explanatory narrative, clear disclosure of data limitations and proxy methodologies, and contextual guidance to support appropriate interpretation of the published metrics.

Recommendation 12: that when deciding which member-cohort level data to release, publish or aggregate, that APRA consider statistical reliability, comparability across RSEs, commercial sensitivity and the risk of misinterpretation arising from proxy-based metrics.

1.4. Technical Aspects

Recommendation 13: that APRA should provide additional guidance and worked examples on the classification of complex product structures and product combinations within wrap and master trust environments.

Recommendation 14: that APRA proceed with the revocation of SRS 610.0 and provide clear transitional arrangements for RSE Licensees.

Recommendation 15: that APRA should provide additional guidance and worked examples supporting the calculation of "Average Pension Drawdown Rate" metrics under SRS 611.1, including treatment of multiple pension accounts, pro-rata minimums, reversionary pensions and transition-to-retirement (TTR) pensions.

Any guidance from APRA should also cover scenarios where no minimum is payable, such as ABPs commenced in June, or where the member dies and there is no reversionary beneficiary.

Recommendation 16: that APRA review the proposed drawdown rate methodology to consider whether metrics should be based on actual total withdrawals during the reporting period (including regular pension payments and ad-hoc commutations or lump sums), rather than solely nominated regular pension payment amounts, while also having regard to proportionality, reporting simplicity and the practical utility of the additional data collected.

Recommendation 17: that APRA should proceed with their proposed retirement status proxies, subject to minor adjustments including:

- clarifying that TTR accounts are intended to be captured within the relevant retirement status cohorts; and
- expanding the “retired in prior reporting period” proxy to include members who held any retirement income stream product at the start of the reporting period.

Recommendation 18: that APRA should provide additional guidance on the treatment of accounts that transition between accumulation and retirement phases during a reporting period, including the treatment of short-term status changes and complex retirement income strategies, to support consistent and comparable industry reporting.

Recommendation 19: that APRA should clarify how members who already held retirement income stream products at the start of the reporting period but commenced additional retirement income stream products during the reporting period, should be classified and reported. APRA should also consider whether it may be necessary to include additional commencement balance and product opening fields within Table 3 to capture this information.

Recommendation 20: that APRA should provide additional examples and worked scenarios, particularly for edge cases, to assist RSE licensees in interpreting and applying the reporting requirements consistently across products and administration environments.

1.5. Specific Recommendations regarding Draft Reporting Standards

Draft SRS 611.1 Retirement Member Profile

Recommendation 21: that APRA amend its definition of ‘retirement income stream product’ to accommodate for TTR income streams as they are not currently captured in this definition. As currently drafted, no fund would be able to report data under Column 17 of Table 1 in proposed SRS 611.1.

Recommendation 22: that APRA clarify the intended treatment of commencement balances for lifetime income products and use the "initial surrender value" (consistent with existing Centrelink reporting) as a more appropriate and consistent measure where applicable.

Draft Updated SRS 607.0 RSE Business Model

Recommendation 23: that APRA clarify whether the “Member Access Pathway” categories are intended to operate hierarchically or on a mutually exclusive basis, and provide guidance on how RSE licensees should report retirement income stream products that may be accessible through multiple pathways.

Recommendation 24: that APRA rename the "Annuity Investment Linked Indicator" to "Investment Linked Indicator" to ensure the field captures all investment-linked retirement income stream products, regardless of annuity classification.

2. Regulatory Balance

Question 1: Does the proposed approach effectively implement the Government's Framework as announced on 23 February 2026, including meeting the Framework Design Specifications?

The FSC considers that the proposed approach is broadly consistent with the structure and intent of the Government's Retirement Reporting Framework finalised in February 2026. In particular, the use of RSE-level indicators (via SRS 607.0), member cohort-level metrics (via proposed SRS 611.1), and the alignment of definitions through revisions to SRS 101.0 reflects the core elements of the Framework, as outlined in the February 2026 factsheet and subsequent APRA briefing materials.

However, the level of member-level segmentation required to support the proposed metrics is likely to exceed the extent of data currently held in an integrated and readily accessible form by many RSE licensees. This is particularly relevant for entities with legacy product structures and/or reliance on outsourced administration arrangements.

Accordingly, while the proposed approach is conceptually aligned with the Government's Framework, there is a risk that certain aspects of the implementation may introduce operational complexity beyond what was envisaged in the original design specifications. Consideration of these practical constraints (which are outlined in further detail in our responses to the following questions) may assist in ensuring that the reporting framework can be implemented in a consistent and sustainable manner across the industry.

Question 2: How feasible is it to collect and report this data? Are there any material impediments to doing so?

Overall, feasibility varies across the proposed indicators and metrics. Certain higher-level indicators (for example, the existence of retirement income products) can generally be reported using existing data held by RSE licensees or administrators.

However, several aspects of the proposed collection will require significant new system builds, complex data derivations and historical reconstruction exercises. In particular, material implementation challenges arise from the shift to member-level reporting, event-based reporting, and drawing on historical member data. These are explored in further detail below:

2.1 Shift from account-level to member-level reporting

A key challenge for RSE Licensees is anticipated to be the shift from account-level to member-level reporting. In many cases, relevant data is held at the account level, and members may hold multiple products with different account identifiers across platforms. In the absence of a consistent unique member identifier, this creates significant complexity in accurately identifying and aggregating member outcomes (for example, identifying members with accumulation-only holdings).

Member-level aggregation is also susceptible to significant reporting complexity and error. For example, an individual member could have multiple accumulation and/or pension accounts. As the draft standard requires multiple data elements for each product, member level reporting would potentially require multiple lines of data for each member holding multiple products.

Recommendation 1: that APRA explore whether certain metrics can be reported on an account-level basis, or alternatively permit the use of reasonable proxy methodologies where member-level aggregation is operationally impractical.

2.2 Challenges associated with pension commencement and event-based reporting

The FSC notes that a number of the proposed metrics in SRS 611.1 rely on event-based reporting concepts that may not align with how data is currently captured and stored within superannuation administration systems. In particular, some data points may not be available or reliably determinable at the precise point of pension commencement and may instead be more reliably determined at the end of the reporting period.

Examples of data fields where this issue may arise include:

- number of members drawing more than the minimum drawdown rate at account commencement;
- average pension drawdown rate at account commencement;
- pension account commencement balance amount; and
- commencement balance for other retirement income stream accounts opened during the period.

The FSC also notes that pension commencement events are not always straightforward or singular in nature. In practice, members may implement strategies such as pension refreshes, partial commutations, recontributions or other retirement income strategies that alter pension balances and drawdown settings over time. In many platform environments, these changes may occur while retaining the same account numbers, meaning a single pension account may have multiple relevant commencement dates, commencement balances or drawdown arrangements during a reporting period. This creates additional complexity in determining which commencement event should be reported for the purposes of the proposed metrics and may result in inconsistent reporting outcomes across industry participants.

All of these challenges are likely to be particularly pronounced where reporting solutions rely on daily data capture methodologies, legacy administration environments or outsourced service provider arrangements, as retrospective event-based reporting may not currently form part of standard system design.

Accordingly, the FSC recommends that APRA provide implementation flexibility for commencement-related metrics, including permitting reasonable estimates or reporting based on end-of-period data where appropriate. This would support more consistent implementation outcomes while reducing unnecessary system build complexity and cost.

Recommendation 2: that APRA allow account/product commencement-related fields in SRS 611.1 to be estimated or reported as at the end of the reporting period.

2.3 Complex derivations and retrospective data reconstruction

Several of the proposed metrics contained in SRS 611.1 will require complex retrospective derivations or reconstruction of historical member activity. This includes metrics based on:

- retirement status proxies;
- prior-period retirement status;
- commencement balances;
- account closures; and
- member behavioural analysis over time.

In many cases, these data points are not currently stored in a standardised or reusable format and would require significant system transformation to derive consistently.

These challenges are likely to be particularly acute for legacy and closed products, as well as environments involving outsourced administration arrangements, where data standards, retention practices and system capabilities may vary across product vintages and service providers. Additional complexity may also arise when significant business change activity has occurred (including successor fund transfers), as historical member data may be incomplete or held across multiple systems.

Accordingly, the FSC recommends that APRA review whether retrospective and look-back metrics are proportionate to the policy objectives of the collection, particularly where they require significant reconstruction of member outcomes. Consideration should also be given to transitional relief and alternative reporting approaches where historical data continuity is limited.

Recommendation 3: that APRA review the proportionality of retrospective and look-back metrics within SRS 611.1 and consider transitional relief or alternative methodologies where implementation would require significant reconstruction of historical member data.

Question 3: What are the changes to compliance costs as a result of the proposals? Please identify elements or approaches that have the greatest impact on regulatory burden?

The FSC anticipates that the greatest contributor to compliance costs will be the significant systems uplift required to support reporting under the proposed new reporting standard SRS 611.1. In particular, this is driven by:

- the large quantity of unique identifiers that will lead to many permutations increases the complexity of the technical build;
- the introduction of a substantially broader set of member-level metrics across tables 1-3 in SRS 611.1 (compared to the existing SRS 611 collection which only requires the aggregation of members benefits);
- the proposed reporting requiring aggregation at the member level, rather than at the account level (which is more consistent with existing APRA data collection); and
- the inclusion of metrics requiring data from multiple reporting events/reference points (for example, start-of-period balances, end-of-period balances and balances at pension commencement).

These design features are expected to drive significant initial and ongoing compliance costs.

Firstly, RSE Licensees will need to do substantial data integration and transformation to reconcile member information across multiple systems, administrators and product structures in order to populate SRS 611.1 at the required level of granularity. In some cases, metrics that require "no/build required" solutions may necessitate one-off system development costs together with ongoing maintenance, even where the underlying business activity is low.

Further, the requirement to report across numerous combinations of age, sex, balance band, product holdings and retirement status materially increases reporting permutations, validation complexity, governance and assurance costs.

The FSC expects that the greatest regulatory burden will arise from metrics requiring longitudinal member reconstruction and retrospective data derivation, rather than higher-level indicators more closely aligned to existing reporting practices.

Accordingly, as recommended above, the FSC encourages APRA to review the proportionality of retrospective and look-back metrics within SRS 611.1 and consider transitional relief or alternative methodologies where implementation would require significant reconstruction of historical member data.

Question 4: Given the intent of collecting data in late 2027, is the proposed timeline achievable?

According to APRA's proposed implementation timeline, the final reporting standards are expected to be released after the commencement of the first reporting period (Q3 2026), with the first reporting covering the period from 1 July 2026 to 30 June 2027 and submission expected in Q4 2027.

This presents implementation challenges where data is required to be captured as at the start of the reporting period, particularly for fields that are not currently retained in a readily reportable format and may otherwise require rebuilding data sets from audit logs. This may materially increase implementation complexity and cost.

The proposed timeline also provides a relatively constrained window for key implementation activities, including interpretation of requirements, engagement with administrators and service providers, system uplift, testing, and subsequent validation and assurance processes. Delivery against this timeframe may also depend on factors outside the direct control of RSE licensees, particularly where implementation relies on outsourced administrators, third-party technology providers or coordination across multiple systems and service providers.

Recommendation 4: that APRA should either:

- finalise the reporting standards sufficiently in advance of the commencement of the first reporting period to support orderly implementation, including adequate time for engagement with administrators, system uplift, testing and assurance activities; or
- provide transitional relief for data points requiring commencement-of-period capture, where those fields are not currently retained in a reportable format.

Question 5: In your view, does the proposed approach strike an appropriate regulatory balance? Are there specific alternative approaches that you would recommend be considered? Where an alternative approach or option is recommended, please separately identify the difference in compliance costs.

The FSC considers that the proposed approach reflects a clear intent to balance improved transparency with proportionality. This is evident in the use of proxies for retirement status and the proposed revocation of SRS 610.0 to reduce duplication.

However, regulatory balance could be improved by:

- phasing selected metrics, particularly balance utilisation and prior-period retirement metrics; or
- initially reporting high-level cohorts only, deferring finer segmentation until data maturity improves.

These alternatives would meaningfully reduce upfront compliance costs, particularly for RSEs with complex legacy environments, while still supporting the Framework's objectives.

Recommendation 5: that APRA adopt a phased implementation approach for higher-complexity metrics and cohort segmentation within SRS 611.1, including consideration of transitional reporting based on higher-level cohort groupings during the initial reporting phase.

Question 6: What is the estimated quantum of data (e.g. rows per table) expected to be reported?

The proposed cohort-based design means the number of rows reported is driven by the combinatorial effect of:

- age (60+ by single year),
- sex,
- balance bands,
- product combinations, and
- retirement status indicators.

For diversified RSEs, this is likely to result in thousands to tens of thousands of rows per table per year in SRS 611.1 (est. 7000-20,000), materially exceeding existing profile-style APRA data collections.

The FSC expects this level of granularity to materially increase reporting complexity, including data transformation requirements, validation processes, governance and assurance activities, as well as create the risk of inconsistent or anomalous reporting outcomes across large volumes of cohort permutations.

One of the ways to meaningfully reduce the quantum of data would be to explore whether there is scope to reduce the number of reporting permutations within fields 1-11 of Table 2 in SRS 611.1

Recommendation 6: that APRA consider whether there is scope to reduce the number of reporting permutations within fields 1-11 of Table 2 in SRS 611.1.

Another way to reduce the reporting burden on trustees would be to collect de-identified member-level data from RSE Licensees as opposed to the proposed cohort-level collection. This would remove the need for trustees to build, maintain and validate complex cohort construction logic and may provide a number of additional benefits for APRA, including:

- reducing information loss associated with cohort-level aggregation and averaging;
- enabling more flexible data analysis including the ability to construct cohorts using different attribute combinations as needs evolve; and,

- improving management of confidentiality risks, as APRA could apply its own suppression, aggregation or publication rules centrally at the point of release.

If this approach were adopted, it would need to be supported by appropriate privacy and data governance safeguards. However, the FSC notes that the use of de-identified member-level data based on anonymised identifiers would not require the collection of personally identifiable information.

Recommendation 7: that APRA explore the merits and feasibility of adopting a de-identified member-level data collection approach as an alternative to cohort-level reporting under SRS 611.1.

Question 7: Would there be significant value collecting more information:

> **7.1** in relation to financial advice, for example segmenting indicator 3 by member cohort or attributes?
>
> **7.2** in relation to retirement income streams, for example by capturing term annuities separately from the 'other retirement income stream category'?

7.1) The FSC considers that the proposed APRA data collection with respect to financial advice is useful and achievable from an RSE Licensee perspective.

However, SRS 607, Table 7, *Personal advice availability* (field 2.1) assumes that financial advice is either provided in-house or via referral to a third party provider. This does not cater for advised products, where members choose their own financial adviser (i.e. they are not referred by the RSE licensee) and are required to have an adviser to open an account. For example, most platform members have a financial adviser, but the platform doesn't provide in-house advice or refer out to third-party advisers. Based on the current description, these industry participants would most likely have to respond 'no' to that question, when in fact most members are receiving personal advice.

Therefore, the FSC suggests broadening the description to better capture advised product structures where members access personal advice independently of the RSE licensee. Without this clarification, advised platform products may be required to report "no" to this field, which does not accurately reflect that members have access to, and receive personal advice.

For example, the description could be amended to: "Report whether members have access to personal advice via in-house advisers, through a referral arrangement with a third-party provider, or through a product structure where members typically access the product via an external financial adviser."

In addition, the FSC considers the proposed framework should better recognise the increasing role of general advice and digital advice models within the superannuation

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system. Many RSE licensees are increasingly partnering with and implementing digital advice solutions to support member engagement and retirement decision-making. Limiting the reporting framework to traditional personal advice channels risks understating the extent of advice and guidance support available to members.

Recommendation 8: that APRA clarify and broaden the financial advice reporting fields to appropriately capture:

- platform products where members typically access the product via an external financial adviser; and
- the availability of general advice and digital advice solutions.

7.2) The FSC considers that there would not be significant value-add in capturing additional information with respect to retirement income streams.

3. Confidentiality

Question 8: Considering APRA's proposal to publish data in 2028, are there any specific data items that should be considered confidential and/or commercially sensitive?

The FSC considers that certain proposed data items may become commercially sensitive or give rise to confidentiality concerns when published at lower levels of aggregation. This is particularly relevant for:

- cohort-level metrics for small member populations;
- member take-up of newer lifetime income products; and
- advice utilisation metrics.

Publication of these data points may inadvertently reveal commercially sensitive business information, particularly in markets where product offerings or member cohorts are relatively concentrated. There is also a risk that publication of highly segmented cohort data without sufficient contextual explanation could result in misleading comparisons or inappropriate interpretation of member outcomes.

The FSC therefore considers APRA's stated intention to apply existing masking and confidentiality protocols to be critical. Particular care will be required where combinations of age, balance band, retirement status and product type materially reduce cohort size or enable indirect identification of commercially sensitive trends.

Recommendation 9: that APRA apply robust confidentiality, suppression and aggregation protocols to published retirement reporting data, including consideration of minimum cohort thresholds and safeguards for commercially sensitive product and advice utilisation metrics.

The FSC also notes that retirement outcomes are inherently influenced by a wide range of factors beyond the control of an individual RSE licensee, including member behaviour, contribution history, home ownership, external assets, advice engagement and drawdown preferences.

Accordingly, care should be taken to ensure the proposed collection is used to support system-level monitoring and policy analysis, rather than the development of simplistic comparative assessments or a de facto retirement performance test.

Recommendation 10: that APRA clarify that data collected under the Retirement Reporting Framework is intended to support system-level insights and supervisory analysis, and will not be used to construct a comparative retirement performance test or trustee ranking framework.

4. Publication

Question 9: What further measures could APRA adopt to enhance the transparency and accessibility of the annual Framework publication?

The FSC considers that transparency and accessibility of the annual Framework publication would be enhanced through the inclusion of clear explanatory material accompanying the published metrics. In particular, given the reliance on proxy measures, cohort-level aggregation and behavioural assumptions, contextual narrative will be important to support appropriate interpretation of the data.

In particular, the usefulness of the publication would be improved through:

- clear explanatory commentary accompanying published metrics and indicators;
- explicit disclosure of key data limitations, assumptions and use of proxy methodologies;
- contextual guidance on how metrics should and should not be interpreted, particularly where member behaviour materially influences outcomes; and
- alignment with existing APRA publication formats and presentation styles to improve usability and comparability across APRA data publications.

The FSC also considers it important that published data be accompanied by sufficient contextual information to reduce the risk of misleading comparisons or overly simplistic interpretation of retirement outcomes across different cohorts, products or trustee models.

Recommendation 11: that APRA accompany published Retirement Reporting Framework data with explanatory narrative, clear disclosure of data limitations and proxy methodologies, and contextual guidance to support appropriate interpretation of the published metrics.

Question 10: What factors should APRA consider when deciding which member-cohort level data to release, publish, or aggregate?

Relevant considerations for APRA when deciding which member-cohort level data to release, publish, or aggregate should include:

- the statistical reliability and stability of smaller cohorts, particularly where cohort sizes may fluctuate materially over time;
- consistency across RSEs with differing product mixes;
- the risk of misinterpretation where metrics rely on proxy-based definitions;
- the commercial sensitivity of data relating to emerging or less mature retirement income products; and

- the extent to which publication of highly segmented cohort data may create misleading impressions regarding trustee performance or member outcomes.

Recommendation 12: that when deciding which member-cohort level data to release, publish or aggregate, that APRA consider statistical reliability, comparability across RSEs, commercial sensitivity and the risk of misinterpretation arising from proxy-based metrics.

5. Technical Aspects

Question 11: Do you have any comments on the proposed technical design, including in relation to:

> **11.1** Defining and categorising product types (section 2.2.5, and SRS 101)?
>
> **11.2** Revocation of SRS 610.0 (section 2.4.1)?
>
> **11.3** Formulas to calculate metrics (Technical paper)?

11.1 Defining and categorising product types (section 2.2.5, and SRS 101)

The FSC acknowledges that the overall alignment with existing APRA definitions is helpful; however, clearer guidance is needed for complex product combinations observed in wrap and master trust environments.

Recommendation 13: that APRA should provide additional guidance and worked examples on the classification of complex product structures and product combinations within wrap and master trust environments.

11.2 Revocation of SRS 610.0 (section 2.4.1)

The FSC supports the revocation of SRS 610.0 as it will reduce duplication, provided there is clarity on transitional arrangements.

Recommendation 14: that APRA proceed with the revocation of SRS 610.0 and provide clear transitional arrangements for RSE Licensees.

11.3 Formulas to calculate metrics (Technical paper)

11.3.1 Average pension drawdown rate methodology

The FSC considers that further clarification and refinement of the proposed methodology for calculating the "Average Pension Drawdown Rate" in SRS 611.1 would improve both the operational feasibility and interpretive value of the collection.

Under the proposed approach, RSE licensees would be required to identify the pension drawdown rate selected by members, including in circumstances where the applicable rate may need to be derived from nominated payment amounts. In practice, however, pension payment arrangements can involve a range of complex scenarios which are not fully addressed in the current guidance.

For example, members may:

- hold multiple account-based pensions commenced at different times during the year, including newly opened pensions subject to pro-rata minimum drawdown requirements and existing pensions with full-year minimum or nominated rates;
- have reversionary pensions where the applicable drawdown rate depends on whether minimum requirements were met prior to the member's death; or
- transition from TTR to retirement phase during the reporting period, where different drawdown limits apply at different times.

In these circumstances, deriving a consistent member-level drawdown rate, and determining how this should be averaged across members within a cohort, may not be straightforward. While APRA has indicated that a simple average of member-level drawdown rates is intended, the FSC considers that additional practical guidance would materially assist consistent implementation across industry.

Any guidance from APRA should also cover scenarios where no minimum is payable, such as for account-based pensions commenced in June, or where the member dies and there is no reversionary beneficiary.

Recommendation 15: that APRA should provide additional guidance and worked examples supporting the calculation of "Average Pension Drawdown Rate" metrics under SRS 611.1, including treatment of multiple pension accounts, pro-rata minimums, reversionary pensions and transition-to-retirement (TTR) pensions.

Any guidance from APRA should also cover scenarios where no minimum is payable, such as ABPs commenced in June, or where the member dies and there is no reversionary beneficiary.

The FSC also notes that the proposed methodology appears to focus on nominated regular pension payment amounts, rather than actual withdrawal behaviour. In practice, however, there may be a material divergence between a member's nominated drawdown rate and the total amount ultimately withdrawn during the reporting period.

This is particularly relevant where members:

- utilise commutations or ad-hoc lump sum withdrawals alongside regular pension payments;
- implement transfer balance cap management strategies which involve taking additional benefits via partial commutation; or
- draw on flexible lump sum facilities to meet irregular spending needs during retirement.

Accordingly, limiting the calculation to nominated regular pension payment amounts may understate actual drawdown behaviour and reduce the usefulness of the metric as an indicator of retirement income utilisation. This may also affect the accuracy of related metrics, including the proportion of members drawing only the minimum pension amount.

At the same time, the FSC acknowledges that incorporating ad-hoc withdrawals and commutations into the proposed methodology may introduce additional implementation complexity and may not materially improve the usefulness of the data in all cases.

The FSC therefore considers that APRA should explore whether the drawdown rate methodology should instead incorporate actual total withdrawals over the reporting period, including regular pension payments and ad-hoc lump sum withdrawals or commutations, relative to the relevant account balance, while also having regard to proportionality, reporting simplicity and whether the additional complexity would materially improve the usefulness of the data collected.

Recommendation 16: that APRA review the proposed drawdown rate methodology to consider whether metrics should be based on actual total withdrawals during the reporting period (including regular pension payments and ad-hoc commutations or lump sums), rather than solely nominated regular pension payment amounts, while also having regard to proportionality, reporting simplicity and the practical utility of the additional data collected.

Question 12: Will the use of the proposed proxy for retirement status indicators result in meaningfully accurate results? Are there alternative proxies APRA should consider?

Ther FSC considers that APRA's proposed proxies for retirement status offer a pragmatic and broadly workable approach based on observable member behaviour, particularly given the operational complexity associated with determining a member's actual retirement status.

To support meaningfully accurate and consistent reporting outcomes, the FSC suggests a couple of technical clarifications and refinements to the proposed definitions. For example:

- For members that are classified as "not yet retired" or "retired during the reporting period", the consultation paper (page 18) refers to them as holding either an accumulation account or a transition to retirement (TTR) pension at the start of the period. However, TTR pensions do not appear to be reflected in the definition in Table 2 of SRS 611.1, which currently refers only to members holding accumulation accounts. APRA should provide clarification that TTR accounts are intended to be captured consistently within this cohort.
- For members classified as "retired in prior reporting period", the definition in Table 3 of SRS 611.1 currently appears limited to members who held an account-based pension or allocated pension at the start of the reporting period. Consideration should be given to expanding this proxy to include members who held any retirement income stream product at the start of the reporting period, including lifetime income products and other retirement income streams, to better align with the broader retirement product framework contemplated in the consultation.

Recommendation 17: that APRA should proceed with their proposed retirement status proxies, subject to minor adjustments including:

- clarifying that TTR accounts are intended to be captured within the relevant retirement status cohorts; and
- expanding the “retired in prior reporting period” proxy to include members who held any retirement income stream product at the start of the reporting period.

Question 13: Are the definitions and guidance in the reporting instructions sufficiently clear?

13.1 Clarification around treatment of accounts transitioning between accumulation and retirement phases

The FSC would welcome further clarification from APRA on the expected treatment of accounts that transition between accumulation and retirement phases during a reporting period. While the proposed reporting forms in SRS 611.1 appear to assume relatively static account classifications, in practice it is very common for members to move between phases multiple times within a reporting period due to member strategies, pension administration processes or operational events.

Examples include:

- pension accounts reverting to accumulation phase;
- pension refresh strategies;
- cash out and recontribution strategies; and
- “super first” account structures.

These sorts of strategies and pension refreshes are relatively common, particularly for advised members, but raise uncertainty and complexity regarding:

- whether accounts should continue to be reported in pension tables for the full reporting period; and
- how short-term status changes should be reflected, particularly where the reversion is temporary or driven by internal processing events

Without further guidance, there is a risk of inconsistent interpretation and reporting outcomes across industry participants.

Recommendation 18: that APRA should provide additional guidance on the treatment of accounts that transition between accumulation and retirement phases during a reporting period, including the treatment of short-term status changes and complex retirement income strategies, to support consistent and comparable industry reporting.

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The FSC would also welcome clarification around how members who already held both accumulation and retirement income stream products at the start of the reporting period, but who subsequently commence an additional retirement income stream product during the reporting period, should be classified and reported. While these members would appear to fall within Table 3 of SRS611.1, the current structure may not capture all relevant commencement activity and associated balances for newly established retirement income stream products during the reporting period. This may create gaps in the reporting of pension refreshes, recontribution strategies and similar retirement account restructuring activities.

Recommendation 19: that APRA should clarify how members who already held retirement income stream products at the start of the reporting period but commenced additional retirement income stream products during the reporting period, should be classified and reported. APRA should also consider whether it may be necessary to include additional commencement balance and product opening fields within Table 3 to capture this information.

Finally, FSC members would highly value further examples and worked scenarios, particularly for edge cases which would help to improve consistency of reporting across industry.

Recommendation 20: that APRA should provide additional examples and worked scenarios, particularly for edge cases, to assist RSE licensees in interpreting and applying the reporting requirements consistently across products and administration environments.

Specific Feedback on the Reporting Standards

This section sets out additional feedback on the proposed reporting standards that do not fall neatly within APRA's consultation questions, including feedback on notable omissions and areas where further clarification may be beneficial.

5.1. Specific feedback on Draft *SRS 611.1 Retirement Member Profile*

Relevant Table	Column/Field	Comment
Table 1: Member Profile and Income	3 - Members Benefit Bracket Type	The FSC questions whether the proposed level of granularity across balance cohorts is necessary and would welcome further explanation regarding the policy rationale and analytical benefit of moving away from the balance segmentation currently used in SRS 611.0.
	15 – Members Drawing Pension Greater Than Minimum Drawdown Rate Count 16 - Average Pension Drawdown Rate	The proposed approach appears to assess drawdown rates based on the member's selected drawdown rate as at the end of the reporting period. It is unclear whether APRA intends to exclude changes in drawdown behaviour occurring throughout the year. Clarification would be helpful as to whether this outcome is intentional.
	17- Transition To Retirement Payment Amount	Based on the current drafting in SRS 611.1, the FSC is concerned that column 17 won't eventuate in any data being reported to APRA because of how the definitions interact. To map this out: • SRS 611.1, Table 1, Column 17 – requires trustees to report the '*total income stream payment*' for Transition to Retirement accounts. • SRS 101 – draft SRS 101 includes a new definition of '*total income stream payment*' as the total of payments from a '*retirement income stream product*'. • SRS 101 – a '*retirement income stream product*' is a superannuation product which pays a '*retirement phase superannuation income stream benefit*' as defined in s307.75 of the Income Tax Assessment Act 1997 ("ITAA97"). • ITAA97 307.75 – a '*retirement phase superannuation income stream benefit*' is

		a superannuation income stream which is payable from a superannuation interest that is in the retirement phase. This is defined in the following section 307.80. • ITAA97 307.80 – subsection (3)(a)(i) explicitly excludes TTR income streams from being in the retirement phase. See screenshot below of 307.80 for reference. Based on this series of interconnected definitions, it is impossible for a TTR income stream to meet the definition of a 'retirement phase superannuation income stream benefit' (because it is explicitly excluded from being in the retirement phase under s307.80(3)(a)(i)) and hence there would be no payments TTR income streams which meet the definition of 'total income stream payment'. **Recommendation 21:** that APRA amend its definition of 'retirement income stream product' to accommodate for TTR income streams as they are not currently captured in this definition. As currently drafted, no fund would be able to report data under Column 17 of Table 1 in proposed SRS 611.1.
Table 2: Accumulation Member Actions	1-11	As recommended earlier in the submission, the FSC encourages APRA to consider whether there can be a reduction in permutations.
		The table does not appear to capture new accumulation members who join the fund during the reporting period and subsequently commence a retirement income stream product. Clarification would be helpful as to whether this omission is intentional, noting this may exclude a significant cohort of members who change funds to open a pension.
	17 - Opened Lifetime Income Accounts Commencement Balance Amount	The proposed definition requires reporting the "purchase price" as the commencement balance amount. For lifetime income products, the purchase price may be lower than the actual investment amount used to convert into the income stream (i.e., the balance transferred to the pool at commencement). The "initial surrender value" generally equals the amount used to convert into the income stream, particularly for products with cooling-off periods and money-back death and exit benefits. This

		value is what the Capital Access Schedule refers to and is currently reported in the Centrelink Schedule SA330. **Recommendation 22:** that APRA clarify the intended treatment of commencement balances for lifetime income products and use the "initial surrender value" (consistent with existing Centrelink reporting) as a more appropriate and consistent measure where applicable.
	N/A	The scenarios in which a member may take a lump sum withdrawal do not appear to be comprehensively reflected. In particular, Table 2 does not include a field for lump sum withdrawals from pension accounts where a member commences an account-based pension during the reporting period. Clarification would be helpful as to whether these transactions are intended to be captured elsewhere.
Table 3: Pension Member Actions	5 - Reason Pension Account Not Retained	While this data is technically available, using death/death of beneficiary to segment membership for reporting will be complex.
	N/A	Table 3 does not appear to contemplate members holding both pension and accumulation accounts concurrently. In particular, there does not appear to be reporting for accumulation accounts or lump sum withdrawals from accumulation accounts for members who already hold an account-based pension.
	N/A	Table 3 does not include reporting fields relating to member drawdown rates or members drawing greater than the minimum drawdown amount, whereas equivalent information is collected in Table 2 for members who retired during the reporting period. This appears inconsistent and clarification would be helpful as to whether this outcome is intentional.

5.2. Specific feedback on Draft Updated *SRS 607.0 RSE Business Model*

Relevant Table	Column/Field	Comment

Table 6: Features of lifetime income and other retirement income stream products	2- Member Access Pathway	This field allows reporting through a superannuation product, investment menu or investment option, but does not explicitly state whether these options are mutually exclusive or hierarchical. In practice, retirement income stream products may be made available through a range of pathways, including as investment options within a superannuation product or through external application processes facilitated by the platform. It is therefore unclear whether trustees should report only the primary access mechanism or whether multiple pathways may apply. Clarification on how the “Member Access Pathway” field should be interpreted in these circumstances would support more consistent reporting across RSEs. **Recommendation 23:** that APRA clarify whether the “Member Access Pathway” categories are intended to operate hierarchically or on a mutually exclusive basis, and provide guidance on how RSE licensees should report retirement income stream products that may be accessible through multiple pathways.
	6 - Annuity Investment Linked Indicator	There are lifetime income products in the market that are investment-linked but are not annuities under Section 10 of the SIS Act. Given that a separate "Product Annuity Indicator" field already exists, the current naming for this field will result in all non-annuity lifetime income streams reporting "Not Applicable" for this field. No data about whether such lifetime income stream is investment-linked or not will be collected in this table. **Recommendation 24:** that APRA rename the "Annuity Investment Linked Indicator" to "Investment Linked Indicator" to ensure the field captures all investment-linked retirement income stream products, regardless of annuity classification.
Table 7: Retirement income solution member support	1.1 – Pension Drawdown Rate Options Other Than The Minimum Drawdown Rate	The description for this field includes several conditions that must be satisfied before the trustee can respond ‘yes’ to this question. It is unclear on what basis these conditions have been selected, noting they do not appear to directly reflect an existing legislative or prudential requirement. Further clarification regarding the policy rationale and intended interpretation of these conditions would assist consistent reporting.
	2.1 - Personal Advice Availability	The proposed description appears to assume that personal advice is either provided in-house or through referral arrangements with third-party providers. However,

		this does not appear to contemplate advised product environments where members independently engage their own financial adviser and may be required to have an adviser relationship in order to access the product (e.g many wrap platforms). Clarification would be helpful as to whether these arrangements are intended to fall within the scope of the field.