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RE: FSC Submission - Superannuation Data Transformation Project Phase 2: Depth

The Financial Services Council (FSC) welcomes the opportunity to make a submission in relation to the Superannuation Data Transformation (SDT) Project Phase 2: Depth. The FSC and its members support APRA's initiative to strengthen the transparency of Superannuation data.

Whilst the FSC supports the intent of many of the changes proposed by APRA, there are areas in which FSC members are unable to comply or where complying would come at a great cost that may outweigh benefits. There are also areas where further clarification is required to ensure the correct data is produced. Our specific feedback is presented in Attachment A: Key APRA proposals, which breaks down APRA's proposals to each reporting standard and specifically responds to each of them.

The FSC wishes to highlight to APRA, several key issues with a view to balancing the expected benefit that additional data collections for scrutiny would deliver with the need to ease the significant reporting burden on superannuation funds and other impacted organisations downstream, which can ultimately lead to significant costs to members. These issues are:

1. the practical difficulties of obtaining the data points from third parties at the proposed level of granularity and in the proposed timeframes;
2. much of the proposed data collection is targeted towards an industry fund model, where some of the collection points are not relevant for retail funds or platform products;
3. the experience of superannuation funds to date, in relation to initial and ongoing costs of implementing Phase 1 and Phase 2 of the SDT; and
4. the timeframes for implementation of APRA's proposed scope will be difficult to achieve due to system and process updates and negotiations with third parties to obtain the required data.

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.

1. Third Party Data

FSC members have raised concerns with several of the proposed new and amended reporting forms in relation to availability and dependency on third-party held data. The key examples of this were in relation to the liquidity data requests in the proposed SRS 551 where this data can be provided for internally managed funds, but will be difficult or impossible to obtain for externally managed funds. This is particularly an issue for platforms and some master trusts where investments are through a 'connected entity' arrangement where the trustee is limited to the information made available by the 'connected entity'. There are also other examples of third party data that would be challenging for a trustee to produce in line with APRA's requirements such as valuations, further details are provided at [Attachment A](#).

Many of FSC's members engage external fund managers that invest consumers' money in a wide range of assets, both listed and unlisted. In many cases the external fund managers provide data on the liquidity of the managed fund, however this is done on the timeline and format of the external fund manager. This means that compliance with the proposed SRS 551 may not be possible in some circumstances as the exact data requested is not available to the trustee. Further to this, there can be a large gap in the timing of when the liquidity data is provided by the external fund manager and when it is received by the trustee. This data is then due to APRA on a particular timeframe, it is possible that the valuations data, by the time it is submitted, could no longer be reliable due to its age. In some cases contracts with external fund managers can be negotiated to include the additional data requests as a condition of having access to the platform, but this is not always possible. These additional requirements may lead to additional fees being added or the removal of products being provided to consumers, reducing choice and potentially forcing consumers to forgo an investment they have chosen to invest in.

The FSC seeks further clarification from APRA for what a trustee must do in these circumstances to remain compliant with reporting standards. This may include examples of when it is not feasible to collect such data or what evidence should be provided if this is the case. The FSC also encourages APRA to further engage with the FSC and our members to gain a broader understanding of the issues surrounding collection of third-party data.

2. Alternative Business Models

Many FSC members have highlighted issues with several areas of the proposed data collection and how they can comply, as the proposed data tables do not fit in with their business model, being a retail fund or a platform product which run distinctively different to an industry fund.

The clearest example of this is how indirect investment costs are classified in SRS 332. Several members have a business model in which the classification of their expenses would only fit in 'Admin' or 'Other' as many of the expenses would be met by the service company.

It is common for trustees, particularly of retail funds, to engage a service company to run trustee activities, without the trustee directly funding activities themselves. The service company is typically the point of employment for staffing costs, manages advertising, etc and therefore the trustee does not always forgo these expenses directly.

Further to this, looking through to the service company may be difficult as there can be multiple business operations within the service company and expenses are not strictly allocated in the prescribed 'buckets' nor directly to a trustee. As this information is not readily available, a trustee would have to make a best estimate of these allocations which can prove to be costly and time-consuming and may not provide APRA with the accurate data they are seeking or

provide benefit to members as compared with information on total cost.

The FSC recommends examples are provided from a retail funds perspective to assist in clarifying how this type of business structure can comply with the provided tables without having direct oversight of the cost allocations and the intended purpose. The FSC also questions the need for data to be collected at this level of granularity and whether the cost to consumers for estimated data provides enough of a benefit to be in their best financial interests.

3. Costs of Implementation

As recognised by APRA and in line with the anecdotal feedback from industry, superannuation funds have incurred significant costs to date in implementing Phase 1 of the Superannuation Data Project. The costs associated with these efforts are being passed on to superannuation fund members.

In relation to Phase 1, the FSC has obtained data from a sample of FSC members which collectively manage the superannuation savings of 1.8 million members that show that the costs collectively incurred in the implementation process up until December 2022 are in the order of \$36 million. This equates to a cost per member of around \$20. This has been above expectations put forwards in APRA's regulatory impact statement,

Further to this, FSC members are expecting the implementation of Phase 2 to be at a further significant expense, which will come as a further cost to the members. This would be through either requiring modelling of expenses or negotiations with external fund managers to include additional data. The FSC requests APRA complete an updated regulatory impact statement to account for updated costs. While the FSC notes that some aspects of the new collection may assist with supervision, other aspects would come at a high cost and be of little benefit to APRA and would not be seen to be in the best financial interest of consumers.

It is recommended that APRA thoroughly consider these outcomes in relation to the Phase 2 Reporting Standards and in the further rollout of the Super Data Transformation Project.

4. Timeline for Implementation

There is a significant amount of work being done, not just by APRA, in relation to legislation, regulation and prudential standards for superannuation funds over the upcoming 12-18 months. All this work to implement several changes across the superannuation industry will take time to implement. The FSC would like APRA to consider this when setting an implementation deadline for reporting of the new and updated reporting standards.

As noted above, many of the data points requested by APRA are not simple and cannot simply be pulled from existing systems. If these are unchanged, it may take time to change or develop systems in a way that can be compliant with APRA's changes. Further to this, many of the data points are very dependent on third parties and may not be available in the way APRA is proposing to collect them. Particular reporting standards that should have further consultation and be phased in over a longer time horizon include: SRS 605, SRS 607, SRS 551, SRS 332 and SRS 340 where further detail on these issues is available at [Attachment A](#).

The FSC requests that APRA continue the genuine consultation period after official submissions are due and ensure all the requested data points (especially ones from third parties) can be provided. It is also recommended APRA provide ample time for trustees to set up necessary system changes and negotiate what data can be provided from third

parties before the commencement of the reporting standards. Further to this, there are many areas of regulatory burden that may be interconnected with the implementation of any changes required for the SDT project. With the introduction of CPS 230 and potentially SPS 114 occurring on 1 July 2025, most components of SDT phase 2 should not expect to be enforced until the March 2026 reporting period at the earliest (provided APRA looks to resolve the flagged issues concerning data that is not readily available).

While several components of the proposed collection will take time to implement, some components can be provisioned on an earlier timeline. Where FSC members have readily available data in the format requested for by APRA, they are happy to provide this information at APRA's earliest convenience, this data includes the proposed collections on RSE Licensee financial information, directors data and some other elements of the RSE profile.

FSC members are concerned that Treasury's recent consultation on Performance test options may also lead to further changes to what data is collected and changes to definitions and data rules on or near compliance date. We ask that APRA work closely with Treasury to mitigate risk of waste and rework where possible.

Next Steps

The FSC and its members are appreciative of APRA for the work put into and consulting with industry in relation to the SDT project thus far and pass on our thanks in advance to APRA as it carefully considers the feedback raised by the FSC and other stakeholders in moving forward with the Phase 2 Reporting Standards. The FSC is happy to continue the dialogue with APRA to assist in shaping the reporting standards to ensure that they contain data that can be provided and that the cost to members is minimised in the process.

If you would like to discuss this submission or have any questions, please contact me.

Yours sincerely,


Policy Manager, Superannuation

Attachment A: Key APRA proposals

Area of Change	APRA Reporting Standard	Proposal	FSC Comment
RSE Licensee profile	<i>SRS 604.0</i>	APRA is proposing to collect additional information in relation to an RSE Licensee, including the annual collection of: • Business model and ownership structure • RSE licensee governance rules on board structure and representation • Director information and other directorships and employment • Board Committees, membership and attendance	Support in principle but further clarification required The FSC requires further information from APRA to provide a clear support position. APRA should clarify the issues outlined below and explain how certain information is going to be used. Table 2: RSE Licensee Ownership Structure: Further clarification is requested to determine what the look-through requirements are for complex organisations. Diagrams such as those provided for how to look-through investments as a part of the SRF 550 instructions would be useful in this instance. For example, some FSC members are part of a group with a component of foreign ownership, and this is not disclosable today. Do we report consistently with what is currently disclosed on public websites? Or would we need to report and ask for information to be kept confidential. Director Identification Number (DIN) for directors in Table 3A, 3B and 3C– how sensitive is this information and should it be included in the report? For example, in line with privacy rules for TFN and TIN, there may be privacy concerns on giving this to APRA for public release being considered and assessed. We might be open to sharing this information if there are appropriate security systems in place within APRA which reduce any risk of any “unauthorised use”. Further to this, most of this information is reported to ASIC, could only the DIN be reported with the remaining information to come from ASIC? Further to this, APRA’s intention from the discussion paper appears to not require reporting of private and family companies. Current drafting appears to require all company types be included in the Table 3A counts of Director Of Other Entity/Entities and Executive Or Employee Of Another Entity fields and Table 3C: RSE Licensee Directors – Other Employment. Can definitions be updated in 3A and 3C to match 3B which appears to exclude private companies?

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			Table 3B – This is the only table in SRS 604 proposing ad-hoc reporting within 28 calendar days of the change occurring. This ad-hoc report frequency is not consistent with ad-hoc report requirements of other forms (28 days after quarter-end when the change occurred) – this would impose overly complex ad-hoc report requirement monitoring. Could this reported on a quarterly basis instead to save the burden of change monitoring? Is there any connection with the Director Form and Accountability/FAR reporting obligations? (e.g. changes in accountable persons) Table 3C - RSE Licensee Directors – Other Employment: Why is this required and what is APRA going to do better with having this information? If it is for capacity assessment or conflict management, this is already embedded in current processes and the FSC does not believe this adds any value. Table 4: Board and Board Committees: Composition to be reported may need further consultation with APRA to ensure the right approach is taken, as some funds vary in approach. As two records both with the same information disclosed (e.g. Columns 5-7 will be identical), or as ‘Other’ type and a description = ‘Audit and Risk Committee’ added in column 3? Table 5 -Clarification requested on whether the “Number Of Board and Board Committee Meetings Attended” refers to total meetings or only those related to RSEs?
RSE profile	<i>SRS 605.0</i> <i>SRS 607.0</i>	APRA is proposing to collect additional information in relation to an RSE’s business model and structure, including the annual collection of: • RSE profile including distribution arrangements via promoters or employer funds and sub funds • Defined Benefit funds and sub funds • Employer Sponsor • Complex product features - lifecycle factors • Pooled Superannuation Trust investors	Not supportive Tables 1A, 1B, 1C: Is the proposed frequency of quarterly appropriate? This information does not generally change from quarter to quarter. The FSC recommends to make this annually reported with a quarterly attestation/ad-hoc requirement similar to SRS 605. Table 1A: RSE Sub-funds - Promoters. Please clarify when/if a Dealer Group could be considered a Sub-fund - Promoter. How would data be captured in situations where there is one employer parent company and multiple sub-fund employer entities?

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			Is a fee offering the same as a Fees and Cost Arrangement or a fee Structure? Please define and clarify what is required to be reported. If a Promoter agreement has been terminated, are they still required to be reported? If required, can there be a materiality threshold as there will be some fee offerings with minimal members and funds remaining. Table 1B: RSE Sub-funds - Employer Sponsors: 'Employer-Sponsor Industry Type Name' and 'Employer-Sponsor Industry Type Number' – Many funds do not collect ANZSIC from employers, as such would prefer not to have to include this information. Many super funds offer products to thousands of employers Australia-wide and would need to retrospectively collect this information and provide it to APRA, and the burden will be material and significant without a clear benefit. If necessary, providing the ABN should be sufficient and would be significantly less burdensome. Table 4: Further clarification on the definition or examples of the 'Lifecycle Portfolio Mix Design - Representative Stage' and 'Lifecycle Cohort Design' is required. SRS 605 Table 5: RSE Sub-funds: For 'Employer-sponsored' sub fund type, would a negotiated fee rebate with an employer on the standard product rack-rate a separate sub fund to be reported here? Or does it mean it must be a separate fee arrangement for an employer with their own plan to be reported? Do RSEs also need to report 'employer-sponsored' sub fund type, if such arrangement is now closed to new members, but have residual/immaterial members left? In which case, there could be a significant cost, especially on a per-member basis, of gathering the data which would likely outweigh any benefits. The FSC recommends having a materiality threshold by number of members to minimise this issue. If the purpose of the new Table 5 is to understand why fee arrangements are in place for cohorts of memberships, then question if it is the right approach to collect information on new Table 5 in 605, rather than modifying existing 706.0 Fees and Costs form that will provide the level of detail required and would not duplicate data points?

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			Further to this, clarification is sought from APRA in the instances an RSE has a Sub-fund due to having a distinct fee arrangement but is not considered a Promoter, what Sub-fund type would this be? If there are multiple dealers with the same fee offering/discount would this be one or multiple Sub-funds? In terms of privacy considerations, for Sub-Fund components, The FSC would like to understand how this data Is going to be used or published by APRA and to understand APRA's plans to share the sub-fund information across different regulators. SRS 607 Table 5: MySuper and Choice Lifecycle Product Design Mix: What is meant by 'Investment pool' – can you please elaborate on the definition and provide a worked example. From what is currently defined in the standard members believe this information is already provided in SRS 550.0 that could be aggregated as required and would prefer not to re-report in a different form unless necessary for other reasons. The FSC suggests that once APRA has provided clarity and re-drafted, given the extent of feedback provided, this proposed standard goes through another round of consultation. It has been difficult to consult on this standard without first understanding the scope it captures.
RSE profile	<i>SRS 606.0</i>	APRA is proposing to collect additional information in relation to an RSE's profile , including the annual collection of the Linkages between sub funds and superannuation products	Not Support in principle as further clarification required APRA needs to clarify what the benefit of collecting this additional data is. There may be more efficient ways to achieve the outcomes with less industry burden. APRA is already collecting different fee and cost arrangements (in SRS 706.0), and member counts within those arrangements, it seems that this new requirement is achieving is adding a label to the arrangement. Please can APRA confirm its intent/purpose/additional value? Can APRA rationalise the data collection across these forms (605.0, 606.0, 706.0), as the information can be provided in a simpler way.
RSE profile	<i>SRS 251.0</i>	APRA is proposing to collect additional information in relation to an RSE's insurance , including the annual collection of the linkages between Insurance	Support in principle with suggested amendments and clarifications

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		arrangements, superannuation products and distribution intermediary type	The FSC generally supports APRA's proposal but has made some suggestions to assist APRA with achieving their objectives. Additionally, there are some components that are not currently clear and need to be clarified as detailed below. 251.4 Table 1 - Is 251.4 specific to insurance policies that are offered on a default basis like 251.3? The FSC would also like to understand if the information on this form creates impacts on components of other forms. 251.4 also seems to be an extension of existing table 251.3 with additional information for insurance arrangements, URL and intermediary types. The FSC suggests adding additional columns into the existing 251.3 table. Should SRF 251.4 be for Group default insurance only in line with 251.3, or does it include other lines of business? For example: Non-default group insurance: for group insurance where it is provided on a voluntary basis only (i.e. where the member is required to be accepted by the insurer), this is not captured within 251.3 as it is not an insurance offered on a default basis. It is common for some funds to offer separate retail insurance for members where the administration is outsourced to the insurer. The retail insurance is negotiated individually and there is limited information on how the premium is assessed. The draft standard indicates that the ad-hoc reporting trigger would be 'Date of Change', but there is no 'Date of Change' column in 251.4. Does it refer to 'Date of Change' in 251.3? If yes, will any other changes in 251.4 trigger ad-hoc reporting? Insurance Table Identifier (Column 3 - existing) and Insurance Table Arrangement (Column 4 - new) – The FSC seeks clarification on the difference between these identifiers and how they should be applied. For noting, commonly, employer-sponsored arrangements will not have a URL to disclose as they are not disclosed. They are shared privately with the employer via a

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			secure portal. We assume this is satisfactory. Clarification is sought from APRA on handling and displaying insurance URLs that are not publicly accessible. Guidance is sought from APRA regarding the current status of ASIC relief for superannuation funds. This relief pertains to the uploading of Product Disclosure Statements (PDS) and insurance guides to a publicly accessible location on the Internet after June 30, 2024. Do they need to be revoked or renewed for this relief? Which column numbers in SRF 251.4 need to change to trigger the need to report on an ad-hoc basis? Assume it is only where there are changes to fields in columns 1 to 7 (inclusive) and not the 'Member Accounts count' (column 8) as this will change daily. For example, when a new rate book is added, or an existing rate book changes or ceases, this will trigger an ad-hoc form submission. The FSC suggests that this is clearly noted in the Instruction Guide.
Investments – Liquidity	<i>SRS 551.0</i>	APRA is proposing to collect additional information in relation to liquidity supply, including the quarterly reporting of: - Time to redeem assets at the fund level, and for specified options (for the quarter and under the RSE licensee's worst case liquidity stress scenario) - Details of assets redeemable within 3 days at the fund level, and for specified options (including reporting on NCDs) APRA is proposing to collect additional information in relation to a liquidity demand, including the quarterly reporting of: - Cashflows at the fund level, and for specified options (for the quarter and under the RSE licensee's worst case liquidity stress scenario)	Not supportive 551.1 Table 1 & 2 - Some FSC members manage members flows completely separately from option flows, reducing costs to members by netting the transactions of the underlying assets (less transactions mean less transaction costs). To comply with APRA's current proposal FSC members may need to change their processes to allocate option flows to members meaning that it would not be netted off and will directly add costs to members. Can APRA provide a worked example of how to apply the rules and populate each of the forms in the SRS 551 series of forms? – this would be consistent with what was provided in Phase 1, e.g. SRS 550.0. Regarding the criteria of investment options that are in scope for SRF 551.0 Tables 2 & 4 and SRF 551.1 Table 2, some investment options may have insignificant balances (e.g. <\$1,000) and would still be captured and reported. This is particularly relevant for platform products with 1000+ investment options. To ensure meaningful and focused data is presented to APRA relating to material liquidity profiles of target investment options, the FSC suggests that APRA also add a minimum dollar value or percentage threshold of investments similar to SRF 553.0 reporting thresholds as part of the criteria.

Area of Change	APRA Reporting Standard	Proposal	FSC Comment
		- Total member transactions which represent a significant proportion of the total investment option assets. - Foreign Currency Contracts Outstanding by maturity APRA is also proposing the quarterly reporting of the additional liquidity data of: - Liquidity event triggers and other indicators as defined in the RSE licensee's liquidity management policy - Estimated Order Of Asset Liquidation Under Liquidity Stress Condition (to be reported only as required e.g. in crisis)	In working with some of the data from the FSC member's Portfolio Managers, The FSC requests APRA to provide more guidance or incorporate more examples in terms of their request on the Liquidity profile of the investment option and the RSE. Liquidity will depend on the size of the FUM. An option with a small FUM will typically be more liquid than an option with a large FUM. Should the liquidity be based on the FUM size of each investment option in isolation, an assumed FUM size for each asset class or some other measure? If each portfolio or asset class is considered in isolation, this would require significant sets of assumptions and maintenance. The profile of the RSE can also be very different to the profile of the investment option given the much larger FUM size if considered in isolation. 551.0 Tables 1 & 2– Data in Table 1 is to be aggregated at RSE level according to the standard, with Table 2 more granular at investment option level. If Table 2 data is provided, is it necessary to provide aggregated Table 1 data too? 551.0 Table 3 & 4 - Table names refer to 'Available Liquid Assets within 3 Days' - what is the definition of 3 days, from which perspective? That of the client, which includes processing times, or the Investment Manager? E.g. an ASX listed equity trade happens within 1 day (investment manager perspective), but cash to member can take 3 days (member perspective). 551.1 Table 2– The FSC seeks more clarity towards the definition of 'Member Switching' for platform products. Switches are not completed on platform products, it would be an Application/Redemption instruction as per 551.1 Table 4: Member Switching And Applications/Redemptions. The FSC suggests that this table would remain blank for platform products as this is focused on industry fund type options and not on direct investments which are relevant to platform products. 551.1 Table 3 - Foreign currency contracts Outstanding. Does this table propose reporting at an RSE level or option level? As most FX contracts are individually Managed Mandates, will they need to be aggregated?

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			Confirmation required on whether we report each individual contract with two rows showing (1) Principal and (2) Loss/gain per contract. 551.2 Table 1 – The FSC recommends that platform products not be required to fill this form out because it is focused on the industry fund type investment options approach where the liquidity is around managing investment options. Platform products offer direct investments into 1000s of managed investment schemes and members cannot seek this data from the individual investment managers. 551.3 Table 1 - Reporting frequency for this new form suggested to be on an ad-hoc basis. What is the purpose of this form and when is it likely to be triggered? Is 5 business days a reasonable timeframe? Funds sell down over via weighting and don't sell down assets according to asset class, e.g. funds won't sell cash asset first etc. This would mean we have to rank everything the same. The underlying cause of liquidity stress condition may play a significant role in the estimated order of Asset Liquidation. Overall, this reporting standard is not feasible for member wrap platforms as they do not have access to the granular investment data requested. Members often utilise data at a higher level (i.e. FUA/flows/performance/ratings/volatility/rankings) that is appropriate for coverage of a broad range of platform options. It is not current practice for platform providers to have the information. Furthermore, the liquidation order is generally determined based on is specific-scenario at hand (policy level liquidation order will be too high level to comply with the reporting requirement). It is also determined by a range of possible factors, such as asset allocation ranges, uninvested cash balances, and switching. These factors should be considered in isolation as well as the cumulative effect of them happening simultaneously. Therefore, we need more clarity on APRA's expectations regarding this reporting requirement. For externally managed funds, this data would need to be collected manually. E.g. time period investment is “Redeemable For Cash” would have to be surveyed from funds

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			made available. The data requested is designed for super fund managers and industry super funds, not wrap providers. The FSC requests APRA reconsider this proposal given this data is not readily available, a new operational process would be required. It will be time consuming to collate this data requiring many parties and there will be a significant cost to collate the data.
Investments – Investment exposure concentrations and valuations	<i>SRS 553.0</i>	APRA is proposing to collect quarterly information on Material exposures to listed exposures which are: • Directly held by an asset class • Indirectly held by a vehicle, asset class and redemption frequency/restrictions APRA is also proposing to collect quarterly information on unlisted exposures which are directly or indirectly held by an asset class, with their valuation details. APRA is proposing to collect quarterly investment exposure data, including: • Linkages of reported investment exposures to Product, Menu & Investment Options identifiers as established in Phase 1 • Look through Investment Vehicle Exposures • Country Exposures to cover total investments by asset class. Additionally, APRA is proposing further data on a quarterly basis on valuations, such as: • Valuation approaches, valuation frequency, sources of valuation, valuation oversight practices • Out of cycle valuations	Support components in principle with additional clarification & Not Supportive of the new \$50M threshold Can APRA provide a worked example of how to apply the rules and populate each of the forms in the SRS 553 series of forms – this would be consistent with what was provided in Phase 1, e.g. SRS 550.0. Table 1 - The new \$50M threshold added to the SRF 553.0 threshold criteria doesn't suit larger FSC member's funds as it would capture approx. 90%+ of investments rather than material/concentrated investment exposures which is the purpose of these forms/concentrated investment exposures which is the purpose of these forms. This monetary figure will need to be increased or removed. The 1% value of total investments is reasonable \$500 million or more to ensure meaningful reporting as per the purpose of the form, however if APRA does require a dollar value threshold would need to be \$500 million or more to ensure meaningful reporting as per the purpose of the form. Clarity is required for the use of different investment identifiers, particularly 'Investment Identifier'(which includes APIR, LEI, ASIN. ABN) and 'Internal Investment Identifier'. Some funds do not use distinct 'internal' investment identifier codes, in which case, the 'internal' identifier will be the same as the 'investment identifier'. Could APRA please confirm that these two fields can be identical if this is the case? For the 'Country' data point in this table, FSC members need clarification if this is the same as existing SRS 532.0 Country Code under Section 4 for Directly Held Investments as it doesn't appear to be the same as those on SRS 532.0.

Area of Change	APRA Reporting Standard	Proposal	FSC Comment
		- Fair value hierarchy classification by asset class (annual) - Investment option data on unit pricing practices and redemption frequencies	Table 1 - Unlisted investments data - several data points in this table could be a challenge at asset level. FSC members need clarity from APRA on the definition of an asset, for example is a WRAP investment classified as an asset? Table 2 – The FSC seeks clarity in relation to the 20% or more of underlying unlisted asset criteria of 553.1 Table 2. What does this 20% apply to (e.g. is it the value of the investment option the unlisted exposure relates to or the total investments of the RSE). We believe this should be 20% of the RSE, not an investment option. 553.2 Table 1 – typo found under column 3 as field name and applicable to are captured as same. Product Investment Exposures - what is the purpose of this table? It has repeated data across categories as it is allocated down to product menu option level. Underlying assets could be held multiple times across options. 553.2 Table 2 - Investment Vehicle Exposures - data point 'Indirectly Held Investment Vehicle Name' - how is this defined? Is it the same as the one from SRS532.0? New data point called 'Internal Investment Identifier' - what is this and is it at fund level? 553.3 Table 3 – Further clarification is sought on the meaning of ‘report each country of investment’. For example. Is it on a look through basis or not? What is this required for? Details on currency exposure which is similar are already provided for the RSE in SRF 550.1 Table 2. 553.2 Table 3 (Wrap) – Funds will need to explore with Morningstar whether data feeds to determine country information is readily available for all external investment options. Data comes from MorningStar and ASX for currency but not country. Can APRA also provide further clarity around regions? Can they provide a list of countries that sit in each region as some countries could be interpreted as being part of two or more regions?

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			553.3 Table 2 - Fair Value Hierarchy table - new data point called 'Internally Managed Assets Value' - what is the definition of 'internally managed' by the RSE? FV hierarchy is not managed or reported in this way. For internally manufactured options, it is managed and reported on an underlying asset by asset basis, For externally manufactured Managed Investment Scheme (MIS) options on a platform, underlying assets are not readily available to determine FV hierarchy, therefore it is determined at an MIS level. Suggest that this table structure is consistent with Financial Statement reporting requirements. 553.3 Table 3 - New data point 'Member Transactions Frequency' – this data may not be available. 553.3 Tables 1 & 2(Platform) – Unsure if applicable to wrap platform providers i.e. Out of Cycle Valuations and Fair Value Hierarchy. Can APRA please clarify if external funds under liquidation or Administration that are re-valued should be reported here?
Investments - Securities Subject to Repurchase and Resale and Securities Lending and Borrowing	<i>SRS 552.0</i>	APRA is proposing to collect additional information in relation to certain types of securities, including the quarterly reporting of: - Repurchase and resale, borrowings, and lending of securities - Loan and collateral in relation to RSEs' securities lending program including cash collateral reinvested	Supportive
Investments - Derivative Transactions	<i>SRS 550.0</i>	APRA is proposing to collect additional information in relation to derivative transactions, including the quarterly reporting of: - Derivatives transactions (enhanced, accounting for changes in market values) - Non-centrally cleared derivatives margining and risk mitigation practices per CPS 226.	Supportive in principle with additional clarification and removal of monthly reporting 550.3 Table 1 – Confirmation is sought from APRA on the exact scope of this form, ie is this Master Trust only? 550.4 Table 1 – What is APRA's intention for this table? The requested monthly data is not presently available for some FSC members.

Area of Change	APRA Reporting Standard	Proposal	FSC Comment
RSE indirect investment costs	SRS 332.0	APRA is proposing to collect additional information in relation to indirect investment costs , including the annual reporting of Indirect investment costs by service provider.	Not supportive Some FSC members do not have the granular data readily available to report indirect investment costs at the individual ‘Service Provider’ level as required in this form, and it will be onerous and near to impossible to implement. For example, underlying managed investment schemes have indirect investment costs such as, custody fees, brokerage, OTC derivative costs, miscellaneous recoveries, tax compliance/agent costs, audit cost, ASIC fees etc. which are not provided at a service provider level by the external investment managers. The FSC requests APRA reconsider this proposal given this data is not readily available, it will be time consuming to collate this data, requiring a lot of parties, and there will be a significant cost to collate this data. Currently many RSEs collect RG97 indirect investment cost data via industry standard templates sent to each investment manager. This data does not require the indirect costs by service provider. Funds already provide Indirect Fee and Costs information, as disclosed in PDSs, in SRF 705.0 today. Members would like to understand what the collection of this new data is trying to solve. Can APRA explain the benefit of having this additional data for transparency purposes if it is provided? We also question whether there is a different or better way to get this information, rather than requesting it from Super funds in the form of an SRS? For example, can APRA source it directly from investment managers, or data aggregators such as Morningstar or Clearstream? This could particularly be beneficial in the likely case that more than one fund invests in the same asset. Can APRA revisit the consultation outcomes for RG97 regime, where independent experts were engaged and the level of data was agreed at the time, which did not include ‘Service Provider’ level reporting. This is another level of detail that we do not believe is achievable in the timeframe for reporting. It is important to note that even if funds could get the data from external managers, FSC members would not be able to meet the timelines for providing this in the reporting form by September each year. For example, current disclosure for RG97 in our PDS is delayed until November each year and reflects the previous financial year's costs (in line with the RG97 regime). It

Area of Change	APRA Reporting Standard	Proposal	FSC Comment
			takes fund managers up until the end of August each year (at best) to calculate and disseminate the information to funds to prepare disclosure documents. FSC members would then need to collate and validate the information, then aggregate it before being able to update disclosure documents. Additionally, big organisations will have processes in place to provide the information to funds, however for smaller organisations this change is a massive ask and it is highly unlikely that the information will be received on a timely basis. The FSC requests APRA to consider what the cost to consumers will be to implement the changes. Note that it is likely that fund managers will need to increase their management costs to prepare this additional information and provide to funds. Ultimately, any additional costs will be borne by members through decreased returns on their investments from funds.
RSE licensee financial statements	<i>SRS 340.0</i>	APRA is proposing to collect additional information in relation to financial statements, including the annual reporting of: • Statement of financial position and statement of comprehensive income • Changes in trustee reserves/capital including any dividend payments • Related party payments	Not supportive FSC requests APRA to confirm the purpose/intention and value this would add to report in this manner. All of this information is already published in the Financial Statements, lodged with ASIC and publicly available. Receiving the Financial Statements would be more meaningful as it provides more context into the Company's financial performance and position and what is included in the report. If APRA intends to get further insights from this information around profitability, this is already reported in SRS 332.0. The composition of this form is aligned to how industry funds would be set up and bears no resemblance to how non-industry fund FSC members report their revenue as defined by accounting standards. For example, Table 1 requests 'Revenue' items such as 'Trustee Service Fees' and 'Trust Risk Reserves' however this is not applicable to retail funds as they do not use reserves.

Area of Change	APRA Reporting Standard	Proposal	FSC Comment
			Some members charge an Admin fee only, and the entire amount of revenue would be reported as a single value under 'Other service fees. Similarly, for 'Expenses' some members do not provide any 'Employee expenses', 'Directors expenses' or 'Occupancy expenses' and everything will be reported under 'Administration expenses' and 'Regulatory levies or fees'. Similarly, Table 3 treats reserves as equity in the fund. From an accounting perspective, trustee risk reserves are not equity, they are reported as an asset on the balance sheet. Table 4 – Related Party Transactions: this information is largely captured in SRS 332.0, however from the perspective of the fund looking through to the first non-connected entity. Which can be duplicating information, and in some case may cause confusion when there is a mis-match in the data without sufficient context. In addition, this information is disclosed in the notes to the financial statements. This form requires all dollars to be reported in 'Whole dollar' amounts. Suggest this follows the same rounding convention as set out in Australian Securities and Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.
All (Definitions)	<i>SRS 101.0</i>	APRA is proposing to update the definitions reporting standard to bring it in line with the proposed updates to other standards.	Support in principle The feedback for individual standards above clearly indicates that the current draft SRS101 as proposed requires points of clarification/amendment/addition.