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Consumers to benefit from improved data on super fund returns

The Australian Institute of Superannuation Trustees (AIST) welcomes the release today of proposals from the Australian Prudential Regulation Authority (APRA) to improve its collection and reporting of super fund returns.

AIST CEO Fiona Reynolds said APRA's plan to collect data at the investment option level would provide consumers and the industry with more comparative and detailed data about the performance of superannuation products.

Currently, APRA's data collection is limited to whole-of-fund performance data which does not provide a breakdown of the performance of the individual investment options. Under APRA's proposed new reporting requirements, funds will now have to provide this new level of information.

Ms Reynolds said APRA – as the industry's key regulator - was best placed to produce data on superannuation fund returns.

“When it comes to comparing superannuation performance, consumers can have the confidence that APRA's data is independent and free of any conflicts of interest,” Ms Reynolds said.

Ms Reynolds said she hoped the new requirements for collection of data and the reporting of returns at investment option level would put an end to the controversy that had surrounded APRA's superannuation return figures in the past.

APRA's proposed new reporting requirements also include a requirement for super funds to adopt a new standard risk measure.

Ms Reynolds said AIST remained concerned that the proposed risk measure – which measures the expected frequency of negative annual returns over a 20 year period – could send the wrong message to super fund members.

“We think a better approach is to take into account members' different ages and needs, rather than a one-size-fits-all approach to measuring risk,” she said.

Ms Reynolds said AIST would be reiterating this message in its submission to APRA on the revised reporting requirements.

Further media enquiries:

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AIST is the peak industry body for the \$500 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.