12/09/2025

The Treasury
Langton Crescent
PARKES ACT 2600

Via email to: **retirementreportingframework@treasury.gov.au**

Dear Treasury,

Re: Consultation Paper – Retirement Reporting Framework: Increasing transparency for members

AustralianSuper welcomes the opportunity to provide feedback on the Treasury's proposed Retirement Reporting Framework.

AustralianSuper is Australia's largest superannuation fund and is run only to benefit members. Over 3.5 million Australians are members of AustralianSuper, and we invest over $385 billion of their retirement savings on their behalf. Our purpose is to help members achieve their best financial position in retirement.

We support Treasury's intention to bring greater transparency to the retirement phase of superannuation, building on the Retirement Income Covenant (RIC) by establishing retirement reporting. In developing the Framework, we encourage Treasury to focus on ensuring it's primary aim is to support improved retirement outcomes. It should reflect individual member circumstances and preferences, balancing risks to support the sustainability and stability of retirement incomes.

Consistent with this aim, AustralianSuper supports a performance testing framework being applied to retirement products, noting that there will be additional aspects to performance that are particularly relevant to retirement. Given the challenges with measuring success in retirement service provision, a focus on transparency is a reasonable place to begin and the Framework provides opportunity to:

- uplift visibility of offerings on a fund-by-fund basis to allow members to identify the product and service suite available to them;
- introduce greater competition in the retirement phase as funds seek to innovate and develop their offerings to drive member retention; and
- use this initial tranche of data to determine the trends that are leading to better retirement outcomes.

The proposed Framework is designed to make annual reporting on fund offerings and member outcomes accessible and meaningful for both members and regulators. This dual purpose means publications must empower Australians approaching or in retirement to make informed choices about their income needs, while also providing a clear, consistent point-in-time snapshot of fund practices and sector progress for policymakers and regulators. It is important that the Framework delivers sufficient insights for regulators while striking a balance to provide practical insights that will assist members.

For metrics that will be considered by members directly, we recommend that Treasury consider consumer testing to ensure that the publication of metrics and indicators fulfils the intended objectives of transparency and usability within a clear and understandable context.

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To support improving choice and empowering members to make the most of their retirement, metrics should be designed to take account of individual member circumstances and preferences. We caution against the selection of metrics implying that the optimal path is solely one of engagement, comprehensive advice, and product solution. For example, while regular income payments may suit many members, some members may elect to make a lump sum withdrawal to pay off a mortgage or meet other personal financial needs. With 22.5% of the total population projected to be 65 and over by 2050,[1] it is important the Framework supports the provision of scalable, innovative solutions that are aligned to member needs.

In their current form, the proposed metrics are predominantly focused on fund product and service offerings, without consideration of the quality or member outcomes associated with those services. We recognise that seeking to determine the quality of offerings is challenging given the diversity of funds, products and ultimately the uniqueness of each member. We suggest incorporating measurement of member actions that arise from retirement-related interactions in addition to usage metrics. This may facilitate future measurement of success.

To better inform the development of cohorts and funds' ability to report on them, we encourage Treasury to explore ways to empower members to give their funds secure access to their relevant data held by ATO and Services Australia.

Reporting requirements under the Framework should be 'right-sized' and considered in the context of the broader reporting requirements on trustees. It should be developed with a view to minimising potential costs, in terms of both time and resources, and supporting a streamlined 'tell us once' reporting system where data is collected for a clear purpose.

Further detail on our feedback is set out in the Attachment to this submission. We would be pleased to provide additional information or to discuss this submission in further detail. If that would be of assistance, please do not hesitate to contact me or Erin Sales, acting Head of Government Relations (**ESales@australiansuper.com**).

Yours sincerely,

Mark Comer

Acting Chief Strategy Officer

[1] Australian Bureau of Statistics, **Population Projections, Australia**, 2022.

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Attachment – Detailed commentary on Retirement Reporting Framework

Indicator 1: Provides options for drawdowns other than minimum drawdown rates (MDR) for account-based pensions (ABP)

We believe this indicator is acceptable. We note that if data is going to be collected on the amount drawn above the minimum drawdown rate, it should be contextualised as the minimum is appropriate in certain circumstances (e.g. by balance band and age band). Given the Best Practice Principles, it is important to note that the industry may evolve towards cohort-based drawdown options. Retirement reporting measures should be developed in a manner that allows for this.

Indicator 2: Has a longevity protection product or offers through a third-party provider

We believe this indicator is acceptable. We note that a binary response is likely acceptable given the financial literacy barriers to understanding the difference between a pooled or capital guaranteed product and market-linked or traditional annuity, unless Treasury intend to make a judgement on which is superior. Consistency in terminology between this document and the Best Practice Principles consultation, for example with 'lifetime income products' being referred seemingly interchangeably with 'longevity protection products', would help reduce confusion across the broader framework.

We consider the uptake of longevity products to be acceptable as an indicator. We consider that it will help to provide a measure of industry progress in fulfilling the objectives of the RIC, particularly in helping to manage longevity risk and providing stability of retirement income. However, this indicator represents only one aspect of a comprehensive approach to supporting retirement outcomes. Including further detail on the features of longevity products could be useful from a supervisory and sector-wide competition perspective, but should be balanced against the potential to reduce simplicity for direct-to-member communications.

Indicator 3: Offering and take-up of intra-fund advice to members

We believe this indicator is acceptable, with a binary approach being appropriate.

Indicator 4: Offers and take-up or referrals of members for comprehensive advice

We agree with Treasury's view that comprehensive advice is appropriate for some, but not all, members. However, we note that funds do not necessarily have oversight of members who obtain external financial advice, which makes percentage-based reporting unsuitable in this context. There is no clear rationale for applying different reporting requirements to comprehensive advice compared to intra-fund advice. Overall, we consider that a binary indicator of whether the service is accessible is likely to be the most suitable approach.

Indicator 5: Utilisation of retirement information and tools

Tracking the use of retirement information and tools is useful to give a clear picture of the way that funds support members in retirement. Development of this indicator should take into account that such information may be available on public-facing websites, and may receive traffic from non-members or external visitors. To achieve comparability across funds, there would need to be stringent scoping and clearly defined parameters. Furthermore, the notion that the PDS serves as an effective measure of member engagement with retirement options is unlikely to be suitable for this purpose.

Metric 1: Take-up of retirement products

We support measuring this metric, but consider that disclosure should occur only at the industry level rather than publishing individual trustee metrics, given the lack of total visibility of a member's financial position, and whether

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they are actually retired or remain in the workforce. Implementing percentage-based reporting for this indicator is unlikely to facilitate optimal outcomes for members.

Metric 2: Account-based pension drawdown rates

Understanding drawdown rates can help to illustrate how members are using their retirement savings. However, focussing only on regular drawdowns does not capture the full picture of retirement income strategies and may misrepresent how retirees fund their needs. We consider that pension payments, lump sums and total payments should all be included in order for regulators and policymakers to draw appropriate conclusions. The role of partial lump-sum withdrawals is also important for member outcomes, noting that flexible access to capital is one of the three objectives required in the Retirement Income Covenant.

We also recommend Treasury adopt a cautionary approach when considering drawdown rates. While assessing drawdown rates can be helpful in determining retirement outcomes for members, we note that drawdown flexibility is a deliberate benefit of an account-based pension and an emphasis on optimal drawdown rates can undermine member choice in their retirement planning. This metric should be contextualised by including balance band and age bands to provide a more detailed picture.

Metric 3: Balance utilisation

We consider that, without a comprehensive view of assets held both outside of superannuation and within other super funds, the utility of this metric may be limited. Data limitations arising from changes to registry systems further complicate the calculation, given that retirement spans a period of 20-30 years. Additionally, this data is susceptible to survivorship bias, as those who exhaust their savings often fully withdraw their superannuation prior to death. To identify any meaningful trends or derive substantive insights, a substantial period of data collection is required; likely extending over decades. A more productive approach may be to analyse the relationship between total drawdowns and account balances by age, with income projection analysis utilised to infer patterns of balance utilisation.

Metric 4: Take-up of longevity protection products and ABPs

We agree with Treasury's view that trustees cannot track the take up of longevity products provided by external, unrelated third parties. Taking this into account, the indicator category may be sufficient until a better solution can be developed. In addition, incorporating data on the percentage of funds invested in longevity product as compared to account-based pensions could be a helpful indicator.

Additional metrics

There is also value in including information regarding investment option choices and member switching behaviour. Investment performance metrics will be instructive to members in assessing sustainable income and financial security, helping to provide a more complete picture of product effectiveness and retirement outcomes.

Cohort practices

Metric 1: Number of cohorts

The number of cohorts identified within a fund holds little significance if these cohorts are not appropriately defined or fail to capture the diversity of the fund's membership. Careful consideration is required when determining the approach to cohort measurement, particularly as retirement solutions may encompass a range of products, services, and engagement offerings. Each of these may warrant distinct cohort methodologies to ensure they accurately reflect the varied needs and characteristics of members.

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Metric 2: Information used to develop cohorts

At a practical level this reporting metric is likely to be of little value to members due to the limited comparability of the information. This information may serve more appropriately to inform supervisory discussions between regulators and individual funds, rather than as a standardised reporting requirement.

To better inform cohort design and optimise member outcomes, AustralianSuper has consistently advocated for secure access to additional member information. In conjunction with developing the Framework, we encourage Treasury to consider ways to empower members to give their superannuation fund secure access to their relevant data held by ATO and Services Australia.

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