

SUBMISSION

Submission to APRA —
Remuneration disclosure
and reporting
requirements

7 October 2022

**The Association of Superannuation
Funds of Australia Limited**
Level 11, 77 Castlereagh Street
Sydney NSW 2000

PO Box 1485
Sydney NSW 2001

T +61 2 9264 9300
1800 812 798 (outside Sydney)

F 1300 926 484

W www.superannuation.asn.au

ABN 29 002 786 290 CAN 002 786 290

File: 2022/15

General Manager, Policy and Advice Division
Australian Prudential Regulation Authority

Via email: policydevelopment@apra.gov.au

7 October 2022

Dear Sir/Madam

Remuneration disclosure and reporting requirements

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to APRA's discussion paper: Remuneration disclosure and reporting requirements.

About ASFA

ASFA is a non-profit, non-partisan national organisation whose mission is to continuously improve the superannuation system, so all Australians can enjoy a comfortable and dignified retirement. We focus on the issues that affect the entire Australian superannuation system and its \$3.3 trillion in retirement savings. Our membership is across all parts of the industry, including corporate, public sector, industry and retail superannuation funds, and associated service providers, representing almost 90 per cent of the 17 million Australians with superannuation.

APRA publication on remuneration

APRA has proposed to publish quantitative statistics on remuneration outcomes for all APRA-regulated entities. The publications are proposed to use aggregated entity-level data and, where there is publication of specified role data, it would be at a cohort level (with the CEO being the exception). ASFA seeks clarity on the following matters:

1. Whether this means APRA proposes to publish the data at an APRA-regulated level, industry level, or entity level?
2. When APRA will not publish remuneration outcomes if there is a risk that the privacy of an individual's remuneration information could be compromised? For example, where a particular cohort contains only a few employees the privacy risks will increase due to the small sample size of the cohort and inferences that can be drawn from the data.
3. How the publication of remuneration outcomes will reflect the context within which remuneration is awarded? This includes, for example, the differences in culture, strategy and performance measurement systems between organisations.

To protect individuals' privacy, ASFA also recommends that the publication show remuneration on a percentage basis rather than on a dollar basis.

Other reporting obligations

RSE licensees are already required to disclose certain remuneration details under the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Corporations Act 2001*. For example, under section 29QB of the SIS Act RSE licensees are required to make publicly available details of remuneration of executive officers and individual trustees. These existing reporting and disclosure requirements are different to those proposed by APRA and, as such, clarity on how these will interact with CPS 511 would be helpful to ensure there is no duplication, inconsistency or confusion around reporting requirements.

Data management, security and privacy

Given the privacy and commercial sensitivity concerns that can arise in relation to remuneration practices of organisations, it is vital that APRA assure that all remuneration data provided by RSE licensees is managed, stored and secured appropriately. This includes not sharing, circulating or using the remuneration information for purposes outside of those prescribed by CPS 511.

If you have any queries or comments in relation to the content of our submission, please contact Maggie Kaczmarska, Senior Policy Advisor, on (02) 8079 0849 or by email mkaczmarska@superannuation.asn.au.

Yours sincerely



Julian Cabarrus

Director - Policy Operations, Member Engagement & External Relations