

Financial Sector (Collection of Data) (reporting standard) determination Nos. 18 to 20 of 2022

EXPLANATORY STATEMENT

Prepared by the Australian Prudential Regulation Authority (APRA)

Financial Sector (Collection of Data) Act 2001, sections 13 and 15

Acts Interpretation Act 1901, section 33

Under subsection 13(1) of the *Financial Sector (Collection of Data) Act 2001* (the Act), APRA has the power to determine reporting standards, in writing, with which financial sector entities must comply. Such standards relate to reporting financial or accounting data and other information regarding the business or activities of the entities. Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to issue an instrument the power shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to revoke any such instrument.

Subsection 15(1) of the Act provides that APRA may declare a day on and after which the reporting standards are to apply.

On 14 October 2022, APRA made the following determinations (the Legislative Instruments):

- (1) Financial Sector (Collection of Data) (reporting standard) determination No. 20 of 2022 which revokes *Reporting Standard SRS 250.0 Acquired Insurance* (SRS 250.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 6 of 2015;
- (2) Financial Sector (Collection of Data) (reporting standard) determination No. 18 of 2022 which revokes *Reporting Standard SRS 533.1 Asset Allocation and Members' Benefits Flows* (SRS 533.1) made under Financial Sector (Collection of Data) (reporting standard) determination No. 38 of 2015; and
- (3) Financial Sector (Collection of Data) (reporting standard) determination No. 19 of 2022 which revokes *Reporting Standard SRS 703.0 Fees Disclosed* (SRS 703.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 41 of 2015,

The instruments commence on 28 October 2022.

1. Background

The above mentioned reporting standards required registrable superannuation entities (RSEs) to provide information to APRA relating to acquired insurance arrangements within a registrable superannuation entity (SRS 250.0), the strategic and actual asset allocation and members' benefits flows of a select investment option (SRS 533.1) and the fees and costs required to be disclosed on a Product Disclosure Statement relating to a MySuper product (SRS 703.0).

In September 2021, APRA determined ten new reporting standards as a part of APRA's Superannuation Data Transformation (SDT) project, which aims to collect accurate and comparable data on the superannuation industry to enable appropriate regulatory oversight, transparency and accountability for RSE licensees. Some of those reporting standards (specifically *Reporting Standard SRS 251.0 Insurance*, *Reporting Standard SRS 550.0 Asset Allocation and Reporting Standard SRS 706.0 Fees and Costs* (together, the New Reporting Standards)) collect information which overlaps with the three reporting standards listed above. After a period of parallel reporting to ensure the quality of the data submitted under the New Reporting Standards is sufficient, APRA has determined that collection of information under the three reporting standards listed above is no longer required.

2. Purpose and operation of the Legislative Instruments

The purpose of the Legislative Instruments is to revoke the three reporting standards listed above. The information collected under those reporting standards is now collected under New Reporting Standards which were determined as a part of APRA's SDT project.

3. Consultation

APRA undertook public consultation on the proposed cessation of the reporting standards from April 2022 to May 2022 as part of the Superannuation Data Transformation Project Phase 2 consultation. Submissions were received from both reporting entities and industry bodies, with no objections raised in response to the proposed revocation of the reporting standards. APRA confirmed its intention to revoke the reporting standards a response paper dated August 2022 titled '*Superannuation Data Transformation Project Phase 2*' which was published on APRA's website.

4. Regulation Impact Statement

A Regulation Impact Statement was prepared and lodged in connection with the wider Superannuation Data Transformation project which contemplates the revocation of the three reporting standards listed above.

5. Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

A Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is provided at Attachment A to this Explanatory Statement.

ATTACHMENT A

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

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These Legislative Instruments are compatible with the human rights and freedoms recognised or declared in the international instrument listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* (HRPS Act).

Overview of the Legislative Instruments

The purpose of the Legislative Instruments is to revoke the following instruments:

- (1) *Reporting Standard SRS 250.0 Acquired Insurance* (SRS 250.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 6 of 2015;
- (2) *Reporting Standard SRS 533.1 Asset Allocation and Members' Benefits Flows* (SRS 533.1) made under Financial Sector (Collection of Data) (reporting standard) determination No. 38 of 2015; and
- (3) *Reporting Standard SRS 703.0 Fees Disclosed* (SRS 703.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 41 of 2015.

Human rights implications

APRA has assessed the Legislative Instruments and is of the view that they do not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the HRPS Act. Accordingly, in APRA's assessment, the Legislative Instruments are compatible with human rights.

Conclusion

These Legislative Instruments are compatible with human rights as they do not raise any human rights issues.