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The Treasury  
Superannuation Efficiency and Performance Unit  
Via: online portal [consult.treasury.gov.au](https://consult.treasury.gov.au)

# Retirement Reporting Framework: Increasing transparency for members

## Executive summary

The Super Members Council (SMC) welcomes the opportunity to provide input into this consultation. SMC advocates for the collective interests of over 12 million everyday Australians with retirement savings in profit-to-member super funds. We support evidence-based policy that strengthens the sustainability, equity, and adequacy of Australia's retirement income system.

SMC supports the development of a Retirement Reporting Framework that enhances transparency for Australians approaching or in retirement. Clear, relevant, and actionable information is essential to help members make informed decisions about how best to use their super to maximise retirement income.

It is essential that this Framework be clearly and directly linked to delivering the best possible retirements for members. Each metric should specify its intended use—whether for regulatory oversight, policy development, or member engagement—to ensure clarity and avoid unnecessary complexity or regulatory burden.

While transparency is a critical step, it must be complemented by measures that actively support better retirements. SMC recommends the Framework facilitate the introduction of a quality filter for retirement products, aligned with the Retirement Income Covenant's (RIC) objectives: maximising income, managing longevity and investment risks, and enabling flexible access to funds.

The absence of investment performance metrics in the retirement phase is a significant gap. Given the expected duration of retirement—often exceeding 18 years—investment returns are vital to sustaining income and financial security. Including these metrics will enable a complete picture of retirement income product effectiveness.

Implementation of the Framework will have operational implications across super funds, including system upgrades, increased reporting requirements, and adjustments to member engagement strategies. It is essential that the Framework's design balances regulatory goals with practical execution to avoid unnecessary cost and complexity.

SMC has structured this submission as follows:

- recommendations
- an introduction setting the context of SMC's position and summarising key points
- responses to the consultation questions for indicators and metrics; and
- analyses of each indicator and metric incorporating nuanced responses to consultation questions where relevant.



## Recommendations

SMC recommends Treasury:

1. Prioritise metrics that measure actual retirement income adequacy, stability, and member wellbeing – rather than just product/service take-up or trustee processes.
2. Include outcome-focused, member-centric, and equity-sensitive measures aligned with Retirement Income Covenant (RIC) objectives.
3. Incorporate metrics on investment returns given their importance for sustainable income over long retirements.
4. Specify the purpose of each metric (regulatory oversight, policy development, member engagement) to avoid regulatory complexity and promote clarity.
5. Reflect the needs of different member cohorts, especially those with lower balances or less engagement, who face greater risks and require tailored support.
6. Adopt consistent definitions, and possibly UK TPR-style data strategy for comparability and benchmarking.
7. Delay framework finalisation until Delivering Better Financial Outcomes (DBFO) reforms and Best Practice Principles are settled to avoid premature or misaligned reporting requirements.
8. Consider alignment with the Government's intended Mandatory Service Standards to drive improvements for members while not creating unclear or duplicative regulatory requirements.
9. Consider staged introduction of advice and guidance indicators after improved data systems are established.
10. Add indicators on investment strategy in retirement to capture trustees' approaches to risk and income stability.
11. Adjust current indicators to better reflect actual member experience and suitability for various retirement solutions offered to cohorts (e.g., drawdown options, longevity products).
12. Use standardised cohorts for reporting purposes developed collaboratively with industry for comparability.

## About the Super Members Council

We are a strong voice advocating for the interests of more than 12 million Australians with over \$1.6 trillion in retirement savings managed by profit-to-member superannuation funds. Our purpose is to protect and advance the interests of super fund members throughout their lives, advocating on their behalf to ensure superannuation policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policy makers across the full breadth of Parliament.



## Introduction

The Retirement Reporting Framework aims to empower Australians to make better choices about their retirement. While SMC supports the intent of the Framework, the metrics proposed primarily focus on inputs rather than capturing the quality or effectiveness of retirement incomes for members.

**Metrics must focus on member needs and outcomes:** Metrics on product take-up may help quantify how trustees are supporting members. However, these measures primarily reflect behaviour and service access, not the quality, adequacy, or success of actual retirement outcomes such as income stability, meeting expenditure needs, balance utilisation, or overall well-being. Usage does not reveal whether products deliver better retirement income, manage risks, or improve financial security. High usage could reflect effective marketing rather than suitable support, and low usage may occur if alternative products or services are more appropriate for a cohort.

**Metrics provide limited insight into effectiveness:** Usage rates may not indicate the quality or impact of the service or product—for example, whether advice is correct, guidance is actionable, or income streams are adequate and sustainable. Metrics cannot distinguish whether members who use a product are those who would benefit the most, or whether offerings are genuinely fit-for-purpose for differing needs and demographics. High or rising usage numbers may be interpreted as positive progress, even if underlying member outcomes remain stagnant or decline. Without outcome data, it is hard to know if members are making informed or suitable choices, or if advice/products are helping them manage risks such as longevity or market downturns.

For many Australians, retirement is no longer seen as a single point in time but rather a non-linear, fluid process. This means retirement can involve multiple phases and can impact decision-making along the way, influencing how funds engage with their members.

**Focus on process and offerings:** The proposed metrics in the Framework are focused on measuring super fund processes, offerings, and member engagement behaviours rather than directly assessing member needs or outcomes. Most indicators measure whether trustees provide products, guidance, advice services, and tools and how many members use them, which reflects processes, and availability. These metrics show how trustees implement strategies, design retirement options, and engage members—the "what" and "how" of fund activity. Although this is an important part of the retirement puzzle, it doesn't ensure members are making the best choices they can for their retirement, which should be the primary focus.

**Current focus on product and service take-up does not recognise the breadth of member demographics:** The Framework is silent on specific measures for members with lower balances or less engagement. These members often face greater risks of poor retirement outcomes and financial vulnerability, yet their experience may be overlooked or masked in aggregated data. Members with lower balances or limited engagement tend to have different retirement income needs and challenges compared to more engaged or higher-balance members. They are more likely to face financial insecurity, require appropriate retirement products, and benefit significantly from enhanced support and engagement strategies. Members with lower balances may require different product offerings, advice approaches, and engagement methods to optimise their retirement outcomes.

The Framework could better support the RIC by incorporating more outcome-focused, member-centric, and equity-sensitive measures that align tightly with the RIC's objectives. Usage data is more meaningful when paired with outcome-focused metrics, such as median drawdown rates, proportion of income meeting actual expenditure, balance utilisation to death, and member satisfaction or well-being.

**The role of supervision and framework:** SMC believes that much of the information contemplated in the framework should be the subject of ongoing conversations with APRA through supervisory engagement in relation to the RIC, rather than data reporting. Many points relate to how a super fund meets its strategic objectives for member outcomes and retirement income strategy (RIS), which are already covered under existing supervision and oversight requirements.

**Timing of the Retirement Reporting Framework:** SMC believes that timing to finalise the framework would be best achieved after the finalisation of legislation for the Delivering Better Financial Outcomes (DFBO) reforms and then once the Best Practice Principles are settled.

Adopting the framework before DFBO reforms could create a misalignment between regulatory expectations and the practical capabilities of super funds. The Framework is designed around the current legislative environment, yet the DFBO reforms are expected to substantially expand and clarify



the ability of funds to provide information, guidance and advice to members both approaching and in retirement. If the framework is implemented ahead of these changes:

- Regulatory requirements may quickly become outdated or require revisions as DBFO reshapes what trustees can legally offer or report in areas such as advice provision and member engagement.
- Definitions of success and key metrics within the framework could change once DBFO reforms are enacted, potentially leading to confusion or inconsistent application across the industry.
- Super funds may have to invest in duplicate systems or process to comply with the current state framework and then again to realise with updated requirements post-DBFO.

**International comparisons: How the UK data strategy improves retirement outcomes:** Treasury may like to consider an alignment with the TPR data strategy, and incorporate a stronger focus on comprehensive, outcome-focused data reporting combined with clear accountability and continuous improvement mechanisms.

The Pensions Regulator (TPR) through its Data Strategy, part of a broader digital, data and technology approach, outlines how data should be collected, managed, shared, and governed within the UK's pension system for transparency, efficiency, and value for members.<sup>1</sup>

The purpose of these reforms includes better member outcomes focussing on enhancing transparency, improving the quality and granularity of data collected from pension providers, and using this data to drive better retirement outcomes. The TPR's framework also targets duplication in reporting for pension schemes by:

- Creating master data records that are externally verified and joined up across schemes and employers.
- Reducing reporting burden so schemes only provide data once, improving consistency and avoiding siloed, duplicate records.
- The TPR strategy is to ensure 'that the value of data is focused on saver outcomes.'<sup>2</sup>

## Indicators for measuring fund offerings

SMC broadly supports the intent of the indicators of fund offerings in the Framework as they cover essential aspects of how trustees are evolving their offering to meet their members retirement income needs.

**Gaps in fund offering metrics:** Including investment strategies as an indicator in the Framework would add significant value. These strategies are central to how trustees manage risks and adapt retirement products to members' evolving needs. Their inclusion would offer deeper insight into how trustees preserve capital and maintain income stability, beyond simply identifying product features. This supports the Framework's goal of improving retirement outcomes and aligns with its focus on informed decision-making and continuous product innovation.

**Advice and guidance measures:** While there are practical challenges in collecting comprehensive and reliable advice and guidance data at this stage, we support the inclusion of such indicators in the Framework. High-quality data on the use of both formal advice and educational resources is essential for understanding how trustees are supporting member outcomes and for driving continuous improvement in fund offerings.

Given the current limitations in data collection, particularly around externally sourced advice and difficulties in accurately tracking usage of publicly available tools, SMC suggests that the implementation of advice and guidance indicators could be staged. Introducing these measures in a subsequent phase, once data collection processes and standards have been further developed, would ensure that the indicators are robust, meaningful, and actionable. This approach ensures we do not lose sight of the importance of advice in retirement while allowing time for the industry to establish data systems that can capture this information effectively and consistently across funds. By taking a

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<sup>1</sup> The Pensions Regulator, [TPR data strategy: Transforming our data for better saver outcomes](#), March 2025

<sup>2</sup> Ibid, page 9.



phased approach, the Framework can still aspire to increased levels of insight and member-centricity, without compromising the quality or reliability of reporting in the initial implementation.

**Evolution of indicators over time:** Indicators should evolve over time on an as needs basis to reflect changing industry practices and member needs. The Framework must be able to accommodate the ongoing evolution of retirement products, advice services, and member engagement approaches. This approach will help the framework remain fit for purpose as the retirement phase of superannuation matures and as members' needs become more nuanced over time.

**Measuring proactive engagement:** Measuring proactive engagement that funds have with their members may not ensure meaningful data on improved retirement outcomes for members. This is because:

- Funds use diverse communication channels such as emails, phone calls, newsletters, educational resources, and personalised advice, making it complex to standardise what counts as “engagement.”
- Simply counting contacts does not fully capture the quality or impact of engagement.
- Members may have varying desires for contact, making it hard to set uniform benchmarks for “adequate” engagement.
- Assumes an implicit requirement of member engagement which may not be practical for all cohorts. A universal system should deliver positive outcomes for members - even those with limited engagement.

**Measures of success in fund offerings:** The measurement of retirement success may look different across super funds because each fund has unique member profiles, strategic goals, and retirement income strategies, leading to varied approaches in defining and measuring what success means for their members.

Policy makers and industry should prioritise member-centric outcome measures, combining financial performance with qualitative assessments (member satisfaction, product appropriateness) to holistically evaluate success, and embed these measures in continuous improvement cycles. This approach aligns with regulatory expectations under the RIC and supports delivering meaningful retirement outcomes for members in the retirement phase.

#### Detailed indicators for measuring fund offerings

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

Two out of three people draw income from their super above the minimum required amount during retirement.<sup>3</sup> While MDR set mandatory base withdrawal levels for tax-free earnings, members' lifestyle needs and preferences mean they may benefit from alternative drawdown strategies. The indicator's simplicity does not capture the complexity of retirement income strategies or how trustees balance income, risk, and flexibility in practice.

##### Possible limitations of indicator 1:

- *Limited consideration of guidance quality:* Simply offering alternative drawdowns without effective, personalised guidance may not improve outcomes; the indicator does not assess the quality or effectiveness of the advice or support provided.
- *Ignores diversity of member needs:* Some members may have a low account balance, and the minimum drawdown rate may be the most suitable strategy to maximise longevity risk.
- *Potential for misleading comparisons:* Since all trustees may offer drawdown options beyond minimums, the binary nature of this indicator (Yes/No) may provide little differentiation or actionable insight.

The reason for the indicator's focus on ABPs, while excluding accumulation accounts, is not clearly explained. By concentrating solely on ABPs, several important considerations may be overlooked:

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<sup>3</sup> Super Members Council, [Changes to make retirement simpler and easier to navigate](#), 21 February 2024



- *Excludes a significant portion of members:* Many members nearing or in retirement may retain accumulation accounts rather than transitioning to an ABP. Ignoring accumulation accounts overlooks their drawdown behaviour and outcomes.
- *Incomplete view on retirement income decisions:* Members with accumulation accounts also make critical retirement income decisions, such as lump-sum withdrawals or partial conversions. Focusing solely on ABPs misses part of how members access and manage their retirement savings.
- *Limits assessment of trustees' support:* Trustees' strategies to guide members on transitioning from accumulation to retirement phase and managing drawdowns in accumulation accounts are not captured, potentially missing insights into critical support and communication efforts.
- *Overlooks early retirees and partial retirees:* Some members may retire early and start drawdowns from accumulation accounts or use phased withdrawal strategies outside of ABPs, which this indicator does not account for.

All funds provide an option to draw down above the age-based minimums. However, funds are limited in providing guidance to members on this topic as it may veer into personal advice. SMC suggests that this indicator be clarified to 'Trustee recommended drawdown rates (or options) above the minimum'. Often drawdowns above the minimum are achieved through flexible access to lump-sums to supplement an ABP with the MDR. Such approaches can achieve similar outcomes to members on above minimum drawdowns. This approach may also better support flexibility. To enable greater specificity, reporting for this metric should be aligned to age bands for statutory minimums as well as balance ranges within those ages.

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

Measuring whether trustees offer these products and tracking member uptake has the potential to improve transparency in the system; yet it does not present the complete picture on longevity. Many retirees use a combination of their super savings and Age Pension payments together to provide a regular income in retirement, particularly those with low balances. SMC research has shown that around 90 per cent of men and 80 per cent of women exhaust their super when they reach their life-expectancy age.<sup>4</sup> As such, many Australians will still access some Age Pension once they reach retirement.

### Possible limitations of indicator 2:

- *Appropriateness and suitability:* This indicator tracks longevity protection product availability and uptake but does not fully capture the nuance of member retirement needs. A better approach would assess whether these products are suitable, well integrated, aligned with members' diverse situations and broader retirement plans, and whether they improve outcomes.
- *Third-party arrangements:* When trustees facilitate access through third-party providers, data on offerings and uptake may be incomplete or inaccurate. This may be a barrier to meaningful data collection on uptake rates.
- *Market innovations:* The evolving nature of longevity products and new innovations may not be fully captured within a static indicator framework. Consideration should be given to ensuring the design of a data collection for this indicator considers product innovation.

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

We support this indicator in principle; however, we recommend that its implementation occur only after the DBFO reforms have been finalised and put into practice. Proceeding in this manner will ensure that trustees have sufficient time to develop and align their intra-fund advice offerings and reporting systems with the new regulatory requirements, resulting in more accurate and meaningful data collection.

Some funds may choose to offer hybrid-advice models which may not be easily compared with other funds.

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<sup>4</sup> Super Members Council, [Changes to make retirement simpler and easier to navigate](#), 21 February 2024





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

While understanding how many members may receive comprehensive advice is useful, this alone is insufficient. Subject to being able to overcome existing data limitations, a clear and detailed approach to reporting on comprehensive advice should include:

- identification of which members accessed comprehensive advice
- a clear description of advice topics covered
- detailed reporting of the cost of advice to members
- reporting on advice costs should distinguish between one-off fees, fee-for-service arrangements and ongoing fee structures; and
- breakdown of member groups by age ranges and super balances

A structured reporting approach for this metric would help account for the diverse needs of members and the appropriateness of advice based on their characteristics, enabling better oversight and informed decisions.

##### Possible limitations to indicator 4:

- *Third-party advice:* This indicator may not fully capture the comprehensive advice landscape as members may choose to seek comprehensive advice from external, unrelated financial advisors. A trustee may have limited visibility of member uptake of comprehensive advice in instances where the fund doesn't offer comprehensive advice inhouse and instead refers members to a third-party. This limitation affects the indicator's accuracy and its usefulness in representing the full scope of advice behaviours and outcomes among members.

#### 5. Indicator: Utilisation of retirement information and tools are as important as advice and guidance

Incorporating webinars and educational tools provides a fuller view of how trustees support members. These resources can improve financial literacy and informed decision-making, especially for those not seeking formal advice. Tracking both advice uptake and resource use gives a more accurate picture of member engagement with retirement planning.

##### Possible limitations of indicator 5:

- *The who in data collection:* Trustees may not know if users of publicly available content like websites, webinars, or calculators are fund members. Without user identification, engagement data can be misleading as it might include non-members, limiting its accuracy in reflecting member reach and education. Tracking is more effective when members log into portals, and their identity is verified.
- *Engagement vs. outcome:* It is difficult to assess whether members use educational resources to make better decisions; this indicator tracks usage, not real-life knowledge or behavioural change, and frameworks should clearly acknowledge these measurement limitations.

### Member outcome metrics

SMC broadly welcomes proposed member outcomes metrics and considers that what is proposed for measuring income and balance utilisation is well-founded but could benefit from greater granularity and structure to fully capture diverse member outcomes. Member circumstances vary widely, and metrics must reflect these differences for accurate reporting and analysis.

#### Detailed metrics of member outcomes

##### 1. Metric: Take-up of retirement products

While the take up of retirement products may be an indicator of retirement success, there are limitations with its usability.

##### Possible limitations of metric 1:

- *Oversimplification of member choices:* This metric may oversimplify the diverse needs and personal decisions individuals make about managing their retirement savings. SMC reiterates that retirement choices may be influenced by many factors which cannot be captured by tracking the transition from accumulation to retirement products.



- *Potential to mislead:* The metric may misrepresent what counts as “success” in retirement planning. Not all members over the preservation age will, or should, move all savings into retirement phase products at the same pace or in the same way. Many may prefer flexibility, retain accumulation accounts for continued work, or delay starting retirement products for a variety of reasons.
- *System complexity and integration:* The super system, Age Pension and broader financial systems are interdependent. Without integrating data on public pension usage and other supports, the metric may fall short of providing an accurate picture of retirement wellbeing for members-particularly as most Australians will access the Age Pension during retirement.
- *Focus on product provision rather than member support:* This metric risks incentivising product sales or transitions, rather than genuine support and guidance to help members achieve their retirement goals.
- *Preference for broader quality outcomes:* SMC considers that a better measure would be going beyond take-up rates and instead advocating for indicators reflecting product quality such as through an appropriate quality filter.

## **2. Metric: Account-based pension drawdown rates**

Understanding drawdown rates reveals how members use their retirement savings and provides valuable industry-wide insights for policy and fund management. Limitations like those noted under indicator 1 apply here and are not repeated for brevity purposes.

### Possible limitations of metric 2:

Ideally, drawdown rates should include:

- the use of lump-sums to ensure a fulsome picture of the drawdown experience.
- the average and median drawdown rates
- the proportion of members at minimum and above minimum (including lump-sums).
- reporting should separately include accumulation accounts not receiving contributions.
- metrics should be reported by age and balance range.

## **3. Metric: Balance utilisation**

Metric 3 provides valuable insights into how effectively super assets are converted into income over a member’s retirement, aligning with the objective of supporting living standards in retirement. It also helps demonstrate how trustees are adapting their offerings to different member cohorts, which is important for tailoring retirement income solutions. Reporting at cohort, balance band, or age group level allows contextualisation of different member experiences.

### Possible limitations of metric 3:

- *Impact of reversionary beneficiaries and dependents:* Some members nominate reversionary beneficiaries or dependents who inherit the remaining account balance upon their death. This means that a significant portion of the super balance is preserved rather than fully drawn down during retirement. As a result, the metric may understate successful income utilisation and misrepresent how retirees use their savings, since some retained funds serve estate planning or family financial support purposes rather than immediate consumption.
- *Survivorship bias:* Survivorship bias affects assessments of balance utilisation at death, as they do not account for how super savings were used during a member’s lifetime. The length of retirement, the age at which a member passes away and investment performance greatly affect how much of a balance is used. Balance utilisation analysis should utilise longitudinal panels over 5 and 10 years and report the distribution of the proportion of starting balances remaining.
- *Long-term and lagging nature:* Because the metric relies on measuring balances at the point of death relative to the starting balance at retirement, it inherently looks backwards over long-time horizons. This serves as a lagging indicator rather than providing real-time insights. Changes in trustee strategies, retirement product innovations or member behaviour may take years to be fully visible in this metric, limiting its usefulness for timely assessment and continuous improvement.





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

Managing longevity risk is important and a critical challenge for retirees who need to ensure their savings last throughout retirement.

Whether to measure the take-up rate of longevity protection products by a trustee's retirement age versus members in retirement phase is an important consideration which could impact the accuracy of the metric. Measuring take-up as a proportion of members in the retirement phase may provide a better and more relevant picture of use of longevity products. This focuses the metric on those directly engaging with retirement income solutions and managing longevity risk accordingly.

##### Possible limitations of metric 4:

- *Third-party arrangements:* Some trustees offer longevity products through partnerships or referrals to third-party providers which limits the trustee's visibility of member participation. Consequently, the reported take-up rates may underestimate true member engagement with longevity insurance, reducing the accuracy and completeness of this metric.
- *Oversimplification of complex decision-making:* The metric treats take-up quantitatively but may not reflect the nuanced reasons behind member uptake or non-uptake of longevity products. Financial literacy, risk preferences, bequest motives, and other personal factors affect decisions. Without qualitative context, the metric risks oversimplifying member choices and the effectiveness of trustee strategies to encourage longevity protection.
- *Overall retirement strategy:* While the metric quantifies the uptake of longevity products, it may not fully assess how well these products fit within the members' broader retirement income strategies. There might be a variability in product features, suitability and member objectives that a single metric cannot capture, limiting its ability to measure the true impact on member outcomes and security in retirement.
- *Metric calculated on an individual or trustee asset basis:* Measuring the take-up of longevity protection products on an asset basis may not provide an accurate picture, as members often choose to split their retirement savings across multiple product types. For example, allocating 50% to an ABP and 50% to a longevity product. This asset division could distort the data by underrepresenting actual member engagement with longevity solutions. Trustees have suggested including this additional granularity by focussing on individual member take-up rather than asset proportions. This approach is likely more informative and better reflects how longevity products are typically used in practice. It is unlikely that any funds' RIS would encourage members to put 100% of their assets in an annuity as such a strategy would conflict with the flexibility objective of the RIC.

## Cohorting

Analysing the circumstances of groups or cohorts of members can enable a more nuanced understanding of a membership base, enabling trustees to design strategies that reflect varying retirement goals, risks and financial circumstances. Reporting outcomes and metrics by cohorts allows clearer transparency about how different groups are served and perform, which can drive continuous improvement and accountability across the sector.

Variability in trustees' approaches to cohorting can quickly introduce complexity in reporting frameworks, as funds use diverse attributes to define cohorts, raising questions about how data segmented by cohort can be meaningfully presented and used. Such diversity may also impede comparability across funds.

Given that member demographics are the primary input funds use in setting their RIS and provide essential context for interpreting data, adopting common demographic slices across all funds could mitigate complexity. Using standardised cohorts would facilitate more meaningful comparisons and consistent reporting, supporting better insights into how trustees tailor their strategies to member needs.

**Cohorting practice metrics as information-gathering indicators:** Cohorting practices should be framed primarily as information-gathering indicators rather than measures of progress. Presenting them as progress metrics risks implying that having more cohorts or employing increasingly complex cohorting approaches is inherently better, which is not necessarily appropriate. The focus should instead be on the quality and relevance of the data collected to inform trustee decision-making, allowing trustees to



tailor retirement income solutions based on meaningful insights into their membership, without undue pressure to increase cohort complexity.

Key considerations for improving these metrics could include:

- Members may continue working beyond age 65, which often requires retention of accumulation accounts alongside retirement income accounts.
- Members with very low balances may keep savings in accumulation accounts, as these may be their only accessible assets for emergencies or contingencies and are not subject to drawdown requirements.
- Accumulation accounts that are subject to lump-sum withdrawals should be included in summary metrics to give a complete picture of usage.
- Some accumulation balances persist because members are constrained by the transfer balance cap.
- Reporting should be segmented by member age, balance range, and gender to reflect different lifecycle and demographic characteristics.
- Any summary metrics calculating the proportion of assets in the retirement phase must exclude active accumulation accounts that are still receiving contributions from the denominator.

## Cohorting metrics

### 1. Metric: Number of cohorts

The consultation paper states that ‘given the importance of cohorting practices in driving RIS design and retirement income solutions offered to members, there could be value in encouraging further trustee cohorting practices to deliver better tailored retirement income solutions and better outcomes for members.’ This statement implies that having more cohorts is inherently better. Cohorting approaches will vary from fund to fund. Some will choose detailed analysis, others will focus on material indicators like age pension eligibility. It is the trustee’s role to determine the level of granularity appropriate for their members. Consequently, statements that imply having more cohorts is better should be avoided. Trustees should develop a number of cohorts that appropriately reflect the diverse needs of their membership, rather than maximising cohort count. Effective cohorting balances granularity with practical application, ensuring tailored solutions remain feasible and impactful. This metric should be framed only as an information-gathering metric rather than a measure of progress.

### 2. Metric: Information used to develop cohorts

Assessing member outcomes at the cohort level offers trustees valuable insights and supports effective prudential oversight of cohort strategies. However, SMC does not regard this to be a meaningful reporting metric. Instead, this information may serve more appropriately to inform supervisory discussions between regulators and individual funds, rather than as a standardised reporting requirement.



**Table 1: Summary of fund offering indicators**

Ref	Indicator	Basis	Options	SMC initial comments
1	Trustee provides options for drawdowns other than the minimum drawdown rate.	Trustees provide members with an alternative drawdown rate that may better meet their needs. This can assist with anchoring and more informed member choices.	The nature and amount of the drawdown rate.	Comfortable with this indicator. Noting that there are some cohorts of members for which MDR under an ABP is perfectly appropriate – particularly for high-net-worth individuals. A high proportion of member's choosing to take MDR should not be framed negatively for these cohorts. Question on data feasibility – treatment of lump sum withdrawals coupled with MDR.
2	Trustee offers access to a longevity protection product indicated by Yes/No.	This metric indicates whether the trustee offers longevity protection products to significantly reduce a member's longevity risk.	Types of longevity protection products offered.	The rationale for inclusion of this metric in the consultation paper projects an overly favourable view of longevity products. Implies trustees that do not offer longevity products are failing members, or that limited uptake is inherently bad. Fails to recognise longevity products are not suitable for many cohorts of members.
3	Trustee offers of intra-fund advice to members indicated by Yes/No.	This metric provides an indication of whether trustees are providing access to tailored information on issues relevant to their members interest in the trustee and assisting them to be more confident and informed decision makers.	Take-up of intra-fund advice in a financial or calendar year by advice topic, indicated by the percentage of the fund's total membership or N/A.	Comfortable with this indicator
4	Trustee offers or refers members for comprehensive advice indicated by Yes/No.	This metric provides an indication of whether members can access more comprehensive advice about their circumstances and retirement planning.	Take-up of comprehensive advice in a financial or calendar year separated out by topic indicated by a percentage of the trustee's total membership.	Somewhat comfortable with this indicator – noting data limitations. For example, where a trustee refers members to external comprehensive advice, they may have limited visibility as to whether the member has taken up the referral.
5	Take-up of retirement information/ guidance indicated by the percentage of unique users accessing tools and resources such as Product Disclosure Statements and calculators in a financial year, relative to trustee's membership base.	This metric provides insights into the effectiveness of resources aimed at educating members on retirement issues and to support decision making about their retirement income needs.	Take-up by information type (e.g. PDS, articles, calculators, etc.)  Take-up by member type (e.g. accumulation member, pension member) or by age group / balance bands  Average time spent viewing materials.	Difficult for trustees to gauge who is accessing the materials on their website.



**Table 2: Summary list of member outcomes metrics**

Ref	Metric	Basis	Options	SMC initial comments
1	Proportion of assets for members aged 65 and over, invested in retirement products relative to all assets held by members aged 65	This metric provides insights into how effectively members are understanding their own retirement as well as how effective their decision-making is.	<p>Proportion of assets for members aged 65 and over, invested in retirement products relative to all assets held by members aged 65.</p> <p>For members who become eligible for retirement in the reporting period, the proportion invested in retirement products.</p> <p>Proportion of members at retirement age who only have an accumulation account.</p>	<p>This ignores the increasing trend that people are opening an accumulation account so they can continue to contribute if they return to work.</p> <p>Suggest the design of this indicator should discount members who are 65 and continuing to contribute to their account.</p> <p>Does not take it to account other assets outside superannuation.</p>
2	Median and average drawdown rates for members with an Account Based Pension by age.	The purpose of this metric is to quantify the extent to which a member's superannuation balance is being converted into income for retirement.	<p>Median and average drawdown rates for members with an Account Based Pension by age. This could be benchmarked against the MDR by age group.</p> <p>Percentage of members in Account Based Pensions who are drawing at minimum rates by age.</p> <p>The average drawdown rate elected for new applicants for an ABP by age.</p> <p>For members who have changed their drawdown rate in the reporting period, the average drawdown rate selected by age group.</p>	<p>Comfortable with this metric.</p> <p>Queary how additional lump sum withdrawals will be treated in this scenario.</p> <p>e.g. a person who has opted for minimum drawdowns but supplements with periodic lump sum withdrawals could be treated differently by different funds.</p>
3	Balance utilisation over the retirement phase by proportion of balance at death compared to the balance at start of the transition to retirement.	The purpose of this metric is to provide insights into how effectively superannuation assets were converted into income to support members' living standards in retirement.	<p>Average balance utilisation rate by cohort, entry balance band or age group level.</p> <p>The balance utilisation rate is calculated by the percentage of a member's balance at death, compared to their starting balance when entering an account based, reported by cohort, balance or age group level.</p>	<p>Comfortable with this metric assuming complexities noted in consultation paper can be overcome to ensure data quality.</p>
4	The extent to which members are using longevity protection products.	The purpose of this metric is to understand the extent to which members are utilising longevity protection products to manage risks.	<p>Take up of longevity protection products as a proportion of members or assets.</p> <p>Take-up of longevity protection products by members who have transitioned to the retirement phase in the reporting period by members or assets.</p>	<p>No concerns with the inclusion of this metric for information purposes.</p> <p>Would be concerned with any linkage to higher-take up being a measure of success.</p>



Ref	Metric	Basis	Options	SMC initial comments
			For members with longevity protection products, the average proportion of assets that are invested in longevity protection products, compared to an ABP.	
5	Number of cohorts used to design retirement income solutions indicated by the number of cohorts for whom a trustee has tailored retirement income solutions.	The purpose of this metric is to indicate the level of segmentation across its membership base that a trustee considers is reasonable in designing retirement income solutions for, to meet their needs.	Trustees would report on the number of cohorts.	Broadly comfortable with this indicator– noting may be problematic in instances where funds take a multi-slice approach to cohorting members.  Should not be considered a performance measure, rather an information measure.
6	Information used by trustees to develop cohorts indicated by a list of information sources used to inform cohort design.	The purpose of this metric is to understand the quality of trustee cohorting practices by looking at the range and quality of information sources used to inform member cohort design.	Trustees would report on the information sources they used to create their cohorts, such as surveys, ABS data and through member engagement.  This metric could include a free text option for trustees to explain their cohorting methodology.	Suggest limited use case for this metric at an industry level. Unlikely to change year-on-year.  Fund specific insights could be obtained via supervisory conversation with APRA.