



IOPS Workshop on pension supervision

Session II: Reporting requirements - the Australian experience

Ross Jones

President of IOPS

Deputy Chairman, Australian Prudential Regulation Authority



- **Why collect information from pension funds?**
- **What should be collected from pension funds?**
- **How is the information used?**
- **How and when should it be collected?**



- **Supervisory purposes**
 - Aids and enhances supervision process
 - Helps refine plans for on-site examinations
 - May trigger early warning signals
 - Helps track regulated population
- **National policy and statistical purposes**
 - Assists policy making
 - Produces economic indicators
 - A single collection point reduces reporting burden on funds and enables standard set of outputs for third party use



- **Enough but not too much!**
 - Need to balance wants v. burden on funds
- **Suggested data:**
 - Financial data - position and performance
 - Investments
 - Asset and liability exposures
 - Transactions with associated entities
 - Governance and administration arrangements
- **Information should be independently audited**
- **Consult! Consult! Consult!**



- **In APRA we use the data collected for:**
 - Analysis and risk assessment
 - Determination of probability (likelihood of failure) and impact ratings which determine intensity of ongoing supervision of a particular fund
 - Sharing with other Government agencies but strict secrecy provisions apply - must not publish data that can identify a particular fund
 - Production of statistical publications, secrecy provisions apply



- **Supervisory agency needs authority to collect from pension funds**
- **In addition to content, the design of the reporting framework should encompass:**
 - The form in which the information is to be collected
 - The frequency of reporting
 - Timeliness
 - when must the data be provided?
 - how will the supervisory authority enforce timely lodgement?
 - Accuracy of the information
 - The supervisory agency's internal systems should enable:
 - Reporting on outstanding lodgements
 - Checking the accuracy of information provided to it
 - Following up where errors are detected
 - Providing clean and accurate information to supervisory staff



- **Pension fund reporting requirements are a function of the information needs of the supervisory system**
- **Design and development of a reporting regime:**
 - the authority to collect information must be established
 - the basic questions why, what, how and when should all be asked and answered
 - consultation is essential