

## House of Representatives Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Review into APRA's Annual Report 2019-20

September 2021

**Division/Agency:** Australian Prudential Regulation Authority  
**Question No:** APRA18QON  
**Topic:** Proportion of choice products covered in the Heatmap  
**Reference:** Hansard pg. 19  
**Member:** Dr Daniel Mulino

#### Question:

**Dr MULINO:** I want to turn now to the choice product heat map. What's the latest on the timing for that?

**Ms Cole:** I think that is either November or December. Suzanne will know more exactly than me.

**Dr MULINO:** But aiming for later this year?

**Ms Cole:** Yes, exactly.

**Mrs Smith:** Yes, aiming for later this year.

**Dr MULINO:** Do you have indicative measures of likely coverage in terms of funds under management and products?

**Mrs Smith:** Perhaps I can take that one. We were starting with the choice heat map to cover what we're calling premixed products—the products that are similar to the MySuper products, those that have a mixture of asset classes in them. I'll take on notice what proportion that covers, but it's largely aligned to where the government will be going with the second part of the performance test, which is for trustee directed products. But it's a large portion of the market, and we've chosen to take that approach because it captures a very large proportion of members that are in choice products.

#### Answer:

On 28 October 2021, APRA published its analysis of the performance of choice superannuation products ahead of releasing its first Choice Product Heatmap in mid-December 2021.

A copy of the information paper is available here: <https://www.apra.gov.au/sites/default/files/2021-10/Choice%20sector%20performance%20-%20improving%20outcomes%20for%20superannuation%20members.pdf>

The first Choice Product Heatmap is expected to cover 120 products, and 729 investment options within those products.

Combined, APRA's MySuper and Choice heatmaps will cover approximately 66% of the FUM in APRA-regulated superannuation funds (excluding Defined Benefit<sup>1</sup>).

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<sup>1</sup> As at 30 June 2020, defined benefits for members total \$307 billion.