

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**Department/Agency:** Australian Prudential Regulation Authority)

**Question:** BET 88

**Topic:** Information on superannuation board membership

**Reference:** Hansard page no. 58 - 03 June 2015

**Senator:** Bushby

**Question:**

ACTING CHAIR: No doubt APRA would support that, given what you said about it being a better practice.

Ms Rowell: Yes.

ACTING CHAIR: But the industry super fund body—ISN—does not have the same code of practice.

Ms Rowell: No.

ACTING CHAIR: Does APRA have data on board turnover, composition, male or female, independent versus non-independent, by segment, which you record? Do you keep that data?

Ms Rowell: We have data on board composition by segment.

Mr Littrell: We do have gender. We can derive length of service with some difficulty. At this point the independence question is not yet defined statutorily.

ACTING CHAIR: So you do not have that ability to—

Mr Littrell: We have the identity of the directors, and at need we could go through and do a manual extract, but it is not something that is routinely collected.

ACTING CHAIR: Without asking you to do that, or the length of service, which sounds like it would be an unreasonable request as well, are you able to provide to the committee details of what you do have on the breakdown of board memberships?

Mr Littrell: We will take that on notice.

**Answer:**

BET 88 - The Australian Prudential Regulation Authority (APRA) collects registerable superannuation entity (RSE) licensee information on *Superannuation Reporting Form 600.0 Profile and Structure (RSE Licensee) (SRF 600.0)*. SRF 600.0 is reported to APRA by RSE licensees for annual reporting periods effective on (or after) 1 July 2013. APRA is working closely with RSE licensees to improve the quality and consistency of reporting in accordance with the reporting requirements.

Item 2 ‘Details of directors, individual trustees and alternate directors’ on SRF 600.0, collects information for each individual who is a director, individual trustee or alternate director of the RSE licensee. Item 2 collects the following director information:

- title, given name(s) and surname;
- director representation (member representative, employer representative, independent director, executive director, non-executive director, or non-affiliated director);
- director type (director, individual trustee, alternate director, director chair);
- gender;
- director remuneration;

- start of role;
- expected end of term;
- if the individual is employed by an associate of the RSE licensee;
- if the individual has a member account in an RSE of the RSE licensee; and
- Board meetings attended.

The table below summarises current data available on the breakdown of board memberships.

| Breakdown of board memberships |                             |
|--------------------------------|-----------------------------|
|                                | Proportion of Directors (%) |
| <b>Director representation</b> |                             |
| Employer representative        | 33%                         |
| Member representative          | 33%                         |
| Independent director           | 10%                         |
| Executive director             | 7%                          |
| Non executive director         | 15%                         |
| Non affiliated director        | 2%                          |
| <b>Director type</b>           |                             |
| Alternate director             | 5%                          |
| Director                       | 80%                         |
| Director (Chair)               | 11%                         |
| Individual trustee             | 4%                          |
| <b>Director gender</b>         |                             |
| Female                         | 25%                         |
| Male                           | 75%                         |

For each RSE under the trusteeship of an RSE licensee, APRA determines the RSE's segment, or fund type, to be used in APRA statistical publications, on the basis of the RSE licensee's profit status and the RSE membership base. These fund types are: corporate, industry, public sector, or retail.

In May 2015 APRA published the June 2014 interim edition of the *Superannuation Fund-level Profiles and Financial Performance* publication. This publication contains whole-of-fund financial position and financial performance information for all APRA-regulated superannuation funds with more than four members and eligible rollover funds. For each fund in the publication, fund type and fund trustee are also provided.

APRA is currently consulting on the proposed content and format of enhanced annual superannuation statistics to be publicly released by APRA following the implementation of revised reporting requirements.

APRA proposes to publish annual fund-level superannuation statistics including the following profile and structure information relating to each fund:

- RSE regulatory classification;
- fund type;
- RSE membership base;
- RSE licensee;
- RSE licensee ownership type;
- RSE licensee profit status; and
- RSE licensee board structure.

APRA also proposes to publish annual industry-level statistics including aggregate profile information for RSE licensees and aggregate directorship information.