

HESTA consultation submission

Retirement Reporting Framework:
Increasing transparency for members
September 2025



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impact

About HESTA

HESTA is a profit-to-member industry super fund investing more than \$98 billion on behalf of more than one million members, who work predominantly in the health and community services sector. Our purpose is to invest in and for people who make the world better.

HESTA members are around 80% women, many who work in Health and Community Services (HACS). Many members earn low to middle incomes, have lower than average superannuation account balances, higher than average levels of part time or casual work, and who may, on average, leave work earlier to care for others. Our members take up of retirement products is comparatively low¹. Given our membership, HESTA is uniquely positioned to understand the retirement journeys and needs of women and low to middle income Australians.

HESTA supports the principles of transparency and comparability, with a focus on strong outcomes for members across the accumulation and retirement phase. HESTA continues to focus on delivering the best possible retirement offering for its members, in alignment with HESTA's strong member focus.

HESTA recommends Treasury clarify that the Framework intent is to increase transparency for members, with a focus on delivery of positive member outcomes

The fundamental issue is that many eligible members are not moving from accumulation into retirement, and this detrimentally impacts retirement outcomes. Data from the APRA Retirement quarterly statistics (December 2024) demonstrates that the take-up of retirement products is very slow – with only a 13 percent growth in the number retirement accounts over 3.5 years to December 2024.

Given this, HESTA recommends that metrics be developed only once appropriate tools are in place to better support members into retirement phase. We examine what tools are needed below.

In any event, it is unclear whether the intent of the metrics is for member transparency, improved member outcomes, or for supervisory purposes. Treasury's paper refers to the Framework being for both supervisory and member outcome purposes.

Treasury's draft metrics assess fund products and services rather than the more relevant assessment of member outcomes and are therefore misaligned with the problem identified by government. For the metrics to be meaningful, they need to align with the problem to be solved. Given the fundamental problem is supporting members into retirement, appropriate tools need to first be in place. Metrics could then assess the

¹ SuperRatings Pension Benchmark Report 2025

impact that such tools have on member outcomes, including moving members from the accumulation to retirement phase.

Metrics which focus on the take-up of products or member engagement with services rely on a high level of member engagement which typically comes from members with higher account balances.

HESTA recommends the metrics need to articulate collection rationale, linked to a member outcome. Additionally, the metrics need to reflect a range of member demographics, including lower account balance members.

HESTA recommends the criteria for the development of metrics be:

- **Consistent and comparable**, to support increased transparency for members.
- **Focused on member outcomes** rather than product features (metrics 2, 3, 5 in table one and 4 and 5 in table 2 measure product features).
- **Relevant and meaningful**, only measuring levers that funds actually have (metric 5 in table one measures a 'call to action' that funds are prevented from doing).
- **Not duplicative, and not operationally burdensome**.

HESTA recommends Treasury lead the development of a consolidated whole-of-government Superannuation Data and Reporting Framework

This consultation follows several recent and expected consultations involving data and reporting requests, including upcoming mandatory member service standards, retirement service metrics, and reviews of both ASIC's Regulatory Guide 97 (Disclosing fees and costs in PDSs and periodic statements) and the Performance Test.

It is not in the best interests of members or member outcomes for funds to duplicate effort through duplicative data and/or reporting to multiple government departments and regulators or for funds having to request data through multiple government agencies. A whole-of-government Superannuation Data and Reporting Framework would remove duplication, promote efficiency, and increase transparency and clarity for members. To support development, HESTA recommends the establishment of an Industry Advisory Group and would welcome the opportunity for a HESTA representative to be involved.

HESTA recommends retirement metrics only be developed once appropriate tools are in place that allow funds to best support members

To support improved member outcomes in retirement, funds need to have tools in place to best support members, including reforms that HESTA has advocated for:

- Streamlining of the member retirement experience to reflect modern practices:
 - Enabling top-ups to Retirement Income Streams to reflect people coming in and out of retirement.
 - Enabling 'cash' reserve components in the retirement phase to support access to emergency money for those who need it.
- Implementation of the proposed Delivering Better Financial Outcomes Bill, incorporating HESTA's recommended amendments:
 - Targeted Super Prompts ('nudges') to actual products, for members who *could be engaged*.
 - Default retirement solutions for members who are *not engaged*.

Our recommended amendments follow the proposals of the UK Financial Conduct Authority and are reflected in our submissions to Treasury of 1 May and 15 July 2025.

With these tools in place, retirement metrics could include, for example, in a financial year:

- How many members received a Targeted Super Prompt and moved to a retirement product.
- How many members were defaulted into a retirement product.
- How many members topped up their retirement income stream.
- How many members elected to have 'Cash' components (capped) components in the retirement phase.



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