

NOTES TO OECD 'PENSION METADATA SHEET'

- *The OECD Pension Metadata Sheet aims to provide a clear and concise overview of the content of the columns in the table on social insurance pension schemes, regarding their coverage and assumptions used in the calculation of their main results. A separate sheet is used for each column. If a column is not relevant in a country, it is requested to explicitly mention so in the relevant sheet.*
- *Relevant additional information (e.g. more detailed descriptions) could be provided as an annex to or as links within the sheets.*
- *Countries are requested to provide the metadata sheet together with the transmission of the data for the table on social insurance pension schemes.*
- *The Metadata Sheet should be updated when changes occur in national pension systems or in the compilation of the results for the table on social insurance pension schemes.*
- *The metadata provided should be publishable on the OECD website*

TABLE 2900 - METADATA SHEET

[Australia]

[March 2020]

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1. Column A: Defined contribution schemes managed by non-general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
Defined contribution and defined benefit schemes managed by non-general government are compiled at the total level in the Australian National Accounts, and therefore, at this stage cannot be separated out. We have provided data for total pension funds managed by non-general government within column C.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	NA
2. Any other comments	

2. Column B: Defined benefit schemes managed by non-general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Defined contribution and defined benefit schemes managed by non-general government are compiled at the total level in the Australian National Accounts, and therefore, at this stage cannot be separated out. We have provided data for total pension funds managed by non-general government within column C.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	NA
<i>Discount rate (%)</i>	NA
<i>Discount rate (info)</i>	NA
<i>Wage growth assumption</i>	NA
<i>Demographic assumptions</i>	NA
2. Any other comments	

3. Column C: Total social insurance pension schemes managed by non-general government

(Only to be completed if no separate information is available for columns A and B)

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Column C represents the net equity of households and the rest of worlds in domestic pension fund schemes. We are unable to provide splits of defined contribution versus defined benefit schemes as this data is currently not available. Instead, this series is calculated residually using the pension fund balance sheet. See data sources below for more information.</p> <p>There are known issues with pension schemes that are managed by general government being reported in the data source for our non-general government managed schemes. We are presently unable to split out these general government managed pension schemes and so have reported them within Column C. Therefore please note that some values may be overstated in Column C and similarly understated in Column F.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	<p>The pension entitlements data in this column is calculated residually from the balance sheet of pension funds. It is calculated by deducting borrowings and repayable liabilities from the total assets of domestic pension funds.</p> <p>Within the Australian National Accounts, we are unable to source household claims on technical reserves of pension funds. As such, the assumption is made that if accurate measurements of stocks and flows of total assets and liabilities of pension funds are available then an accurate measure of net equity in reserves can be derived.</p> <p>Data sources are therefore the data sources used to compile the pension fund balance sheet, including non-financial assets, further information on this can be provided if required.</p> <p>This series also includes the net equity of the rest of world in domestic pension schemes.</p>
<i>Discount rate (%)</i>	NA
<i>Discount rate (info)</i>	NA
<i>Wage growth assumption</i>	NA
<i>Demographic assumptions</i>	NA
2. Any other comments	
<p>As mentioned above, due to known issues in data sources, some General Government managed schemes are included within Column C, and are therefore missing from Column F and Column D.</p> <p>Pension entitlements balances (row 1 and row 10) in this column are net of Self-Managed Superannuation Funds entitlements, which are classified into the individual pension policies category. However, we are unable to separately identify economic flow data for Self-Managed Superannuation Funds. Therefore, the values we provided for changes in entitlements due to social contributions and benefits payments (row 5) include transaction flows related to Self-Managed Superannuation Funds. To reconcile this discrepancy between the coverage for opening/closing pension entitlements balances and the coverage for transaction flows, we have balanced -\$42,798 million for 2014-15, -\$16,477 million for 2015-16 and -\$38,310 million for 2018-19 into changes in entitlements due to revaluations (row 8).</p>	

4. Column D: Defined contribution schemes managed by general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
NA - Data is not available within the Australian National Accounts to separately identify defined contribution schemes managed by general government.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	NA
2. Any other comments	

5. Column E: Defined benefit schemes for government employees, managed by general government and administered by an autonomous pension fund

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
NA - Data is not available within the Australian National Accounts to separately identify these types of pension schemes.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	

6. Column F: Defined benefit schemes for government employees, managed and administered by general government

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>Column F represents unfunded pension liabilities of the General Government to public sector employees. This column is currently understated, as it is known that some General Government managed pension schemes are incorrectly classified to Financial Corporations and are therefore being reported in Column C. At this stage, we do not have the ability to identify and separate out these schemes.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	<p>Direct data sources are used to compile unfunded public sector superannuation claims.</p> <p>For National General Government, data is obtained from balance sheet information from Commonwealth Government Ledgers from the Department of Finance as well as from the Superannuation data collected by the Australian Prudential Regulation Authority (APRA).</p> <p>Data on State and Local General Government is obtained from Government Finance Statistics within the Australian Bureau of Statistics.</p>
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	NA
<i>Demographic assumptions</i>	NA
2. Any other comments	
<p>Regarding Row 3, changes in entitlements due to actuarial assessments, we are unable to separate actuarial assessments from other volume and price changes in the Australian National Accounts. These are therefore included together in Row 8.</p>	

7. Column G: Defined benefit schemes for government employees, managed and administered by general government, for which liabilities are not included in the central framework of the SNA

1. General description of schemes covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>NA Australia does not have a social security system and therefore Column G is not applicable.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	

8. Column H: Social security pension schemes

1. General description of scheme(s) covered and information on calculations	
<i>a. Coverage of the column</i>	
NA – Australia does not have a social security pension scheme.	
<i>b. Information on calculations</i>	
<i>Data sources</i>	
<i>Discount rate (%)</i>	
<i>Discount rate (info)</i>	
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	

8.1 Column I: Total social insurance pension liabilities of domestic pension schemes

1. General description of scheme(s) covered and information on calculations	
<i>a. Coverage of the column</i>	
<p>As detailed below in '2. Any Other Comments', due to limitations in how Australia compiles economic flow data, we are only able to provide economic flow data for total domestic pension schemes (Column I).</p> <p>There are however some limitations and caveats surrounding this flow data we have provided. These are detailed below:</p> <p>We are unable to separately identify employer imputed social contributions (row 2.2) from employer actual social contributions. We have therefore included total employer social contributions within row 2.1.</p> <p>Household Social contribution supplements (row 2.4) includes imputed interest from pension funds to households, i.e. interest and dividend income earned by the funds on behalf of policy holders. It also includes imputed interest from the General Government sector to households on account of unfunded superannuation schemes operated by the General Government.</p> <p>Row 2.5 pension scheme service charge includes the charges paid by households as part of household final consumption expenditure. However, this value does not include charges associated with unfunded superannuation schemes. We do not have data available for charges associated with these schemes, it is therefore important to note that this value is potentially understated.</p> <p>Row 2 is calculated through summing employer contributions, household contributions, and subtracting pension scheme service charges.</p> <p>Row 8 changes in entitlements due to revaluations include changes in entitlements due to other changes in volumes. We do not produce economic flows split into revaluations and other changes in volumes, and so we have provided the total changes as revaluations in Row 8.</p> <p>This row also includes revaluations as a result of actuarial assessments, which we are unable to provide separately.</p> <p>Finally, due to differences in data sources within the Australian System of National Accounts, there exists a net errors and omissions between opening and closing positions, transactions, and revaluations. The values of \$11,993 million for 2014-15, \$865 million for 2015-16 and -\$7,556 million for 2018-19 have been balanced into changes in entitlements due to revaluations (row 8). This ensures that opening and closing positions reconcile with the economic flows data.</p> <p>Row 11 assets held by schemes at the end of the year relates to assets held by schemes classified to financial corporations. We are unable to provide the value of assets held for schemes managed by the General Government.</p>	
<i>b. Information on calculations</i>	
<i>Data sources</i>	<p>Please see previous Columns for information regarding data sources for opening and closing positions.</p> <p>In regard to economic flows, data sources for employer contributions include Government Finance Statistics within the Australian Bureau of Statistics as well as data obtained from Annual Industry surveys.</p> <p>Data regarding household actual social contributions (row 2.3) and payment of</p>

	pension benefits (row 4) is obtained from the Australian Prudential Regulation Authority (APRA).
<i>Discount rate (%)</i>	NA
<i>Discount rate (info)</i>	Whilst it varies, many Australian jurisdictions use the 10 year Commonwealth Government bond rate or the government bond rate with the longest available maturity as a proxy for the discount rate.
<i>Wage growth assumption</i>	
<i>Demographic assumptions</i>	
2. Any other comments	
<p>In the Australian National Accounts, detailed information regarding economic flows such as contributions and pension benefits are only compiled for total Social Insurance schemes. We have therefore provided this information in Column I as we are unable to provide detailed economic flow data at a disaggregated level.</p> <p>Economic flow information is compiled in the Australian National Accounts on a financial year basis. The Australian financial year covers the period 1 July to 30 June.</p> <p>At this stage, we are unable to convert this information to a calendar year basis. We have therefore provided all stock and flow data on an Australian financial year basis to ensure consistency.</p>	

9. Columns J and K: Counterparts of domestic social insurance pension liabilities (i.e. relating to resident or non-resident households)

1. General description
<i>Allocation to counterpart sector</i>
<p>Column J includes household net equity in reserves of domestic pension schemes.</p> <p>Column K includes rest of world net equity in reserves of domestic pension schemes.</p> <p>Please see above, Column C, for information on how household and rest of world net equity in reserves of pension funds is calculated including data sources.</p>
2. Any other comments
<p>Pension entitlements balances (row 1 and row 10) in column J are net of households' holding in Self-Managed Superannuation Funds, which are classified into the individual pension policies category. We are unable to separately identify economic flow data for households' holding in Self-Managed Superannuation Funds.</p>

Therefore, the values we provided for changes in entitlements due to social contributions and benefits payments (row 5) include transaction flows related to domestic holdings of Self-Managed Superannuation Funds. To reconcile this discrepancy between the coverage for opening/closing pension entitlements balances and the coverage for transaction flows, we have balanced -\$42,798 million for 2014-15, -\$16,477 million for 2015-16 and -\$38,310 million for 2018-19 into changes in entitlements due to revaluations (row 8).

10. Column L: Social insurance pension entitlements of resident households with regard to the rest-of-the-world

1. General description	
<i>Information on calculations</i>	
<i>Data sources/methods</i>	Data contained in Column L refers to net equity in reserves of resident households to the total rest of world sector. We are unable to disaggregate the rest of world into non-resident pension schemes and other non-resident units including perhaps non-resident life offices at this time. This data is obtained from the Survey of International Investment.
<i>Discount rate (%)</i>	NA
<i>Discount rate (info)</i>	NA
<i>Wage growth assumption</i>	NA
<i>Demographic assumptions</i>	NA
2. Any other comments	

11. Links to (national) publications providing further information on the pension schemes

More detailed information regarding methodology and data sources of National Accounts estimates can be found within the below Manual:

Australian System of National Accounts: Concepts, Sources and Methods, 2015 (cat. No. 5216.0)

<https://www.abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/5216.0?OpenDocument>

Information related specifically to Pension Funds are published by the Australian Prudential Regulatory Authority (APRA), some flow data contained within our report is also sourced directly from APRA. Please below for further information:

Australian Prudential Regulation Authority: Quarterly Superannuation Statistics

<https://www.apra.gov.au/quarterly-superannuation-statistics>

Further information relating to actuarial assessments of defined benefits schemes, including calculating net present value can be found in:

Australian Accounting Standards Board (AASB) 119 Employee Benefits

<https://www.legislation.gov.au/Details/F2015L01612>

ANNEX

[Any additional information, optional]