

Strengthening the Superannuation Performance Test

Introduction and Overview

The University of Sydney together with the Net Zero Institute and The University of Sydney Business School welcomes the opportunity to contribute to Treasury's consultation on *Strengthening the superannuation performance test* (The Treasury, 2026). This submission responds to the consultation paper's questions on whether the current performance test creates unintended barriers to investment, whether benchmark settings remain fit for purpose, and how the test could be refined or expanded while continuing to protect member outcomes.

Australia's superannuation system plays a central role in mobilising long-term capital, supporting retirement outcomes, and shaping investment across the broader economy. The performance test has materially strengthened accountability and reduced member exposure to persistently underperforming products. However, its current benchmark design can also influence investment behaviour in ways that may not always align with long-term member interests. In particular, benchmark-relative assessment can create incentives to minimise tracking error, potentially constraining investment in emerging, alternative, illiquid, climate-aligned, or values-based assets that are not well represented by existing market indices.

This submission therefore supports retaining the annual performance test as an important member-protection mechanism, while refining its design to reduce unintended investment constraints, benchmark hugging, and uneven product coverage. A staged reform pathway is preferred. This includes improving the existing benchmark framework, introducing a tightly governed pathway for emerging assets, refining the Alternatives covered asset class, establishing a routine benchmark review process, and shadow-testing any risk-adjusted reference portfolio before replacing the current framework. Any expansion of the test should proceed only where a fair product-level benchmark can be constructed.

This submission consolidates three responses supported by four academics. The first is the detailed technical response from Dr Charlie Koh, which addresses the consultation questions and provides recommendations on CPI + X benchmarking, eligible asset criteria, allocation caps, safeguards, Alternatives benchmarks, simple reference portfolios, benchmark review, and the treatment of externally directed, single-sector, and retirement products.

The second is the joint response from Professor Eliza Wu and Associate Professor Jing Yu, which focuses on climate-related financial risk, benchmark-relative evaluation, responsible investment preferences, and the potential role of climate-aligned benchmark reform or regulatory sandboxing. Their response highlights that climate change is a material financial risk and that index-based performance evaluation may discourage climate-aligned investment strategies where these diverge from benchmark composition.

The third response is from Associate Professor Daniel Gozman, whose contribution adds a technology and digital infrastructure lens, addressing how platforms, digital advice tools, fintech intermediaries and related systems affect benchmark suitability, data quality, valuation and accountability for emerging and alternative assets. It reinforces the need to distinguish trustee-controlled product design from third-party or member-directed outcomes.

Together, these responses support a balanced reform position: the performance test should continue to protect members from persistent underperformance, while being refined to avoid unintended barriers to long-term, diversified, climate-aligned, and productivity-enhancing investment (Productivity Commission, 2018; Australian Prudential Regulation Authority, 2025a; Evans & Razeed, 2021).

Basis of the Submission

This submission is structured against the questions and reform options set out in Treasury's consultation paper. The consultation paper provides the policy framework and questions for response; it is not treated as a substantive response being collated.

The substantive content is drawn from the two responses provided: the joint response from Professor Eliza Wu and Associate Professor Jing Yu together with the response from Dr Charlie Koh. Where relevant, the submission integrates these perspectives to provide a consolidated answer to each consultation question while preserving the technical scope and evidence base of the original responses.

Response to the list of consultation questions

Option 1.1: Introducing a New Emerging Covered Asset Class

1. To what extent does the test constrain decisions to invest in certain asset types? Which asset types are most affected, and why? Provide evidence or examples to support your views.

The test constrains investment decisions to a moderate but real extent. The constraint arises because the current framework assesses performance against strategic asset allocation benchmark indices that may not appropriately represent assets with long investment horizons, illiquidity, valuation lags, J-curve return profiles, or deliberate divergence from benchmark composition. The most affected assets are venture capital, early-stage private equity, renewable energy projects, social and affordable housing, private credit, alternative assets, and values-based or climate-aligned strategies.

Climate-aligned investment strategies provide a clear example of this constraint. Benchmark-relative evaluation can create incentives for managers to align portfolios with benchmark constituents, even where those benchmarks include high exposure to emissions-intensive sectors. Divesting from or underweighting high-emitting firms can increase tracking error against the benchmark, potentially penalising strategies designed to manage long-term climate-related financial risks. This creates a tension between the performance test's accountability objective and the need for superannuation funds to respond to climate risk and member preferences for responsible investment (Basak & Pavlova, 2013; Bell, 2022; Bell & Warren, 2025;



Bolton & Kacperczyk, 2021; Broeders et al., 2021; Pavlova & Sikorskaya, 2023; RIAA, 2024; Riedl & Smeets, 2017; Rose & Seligman, 2014).

2. To what extent would a new covered asset class with a CPI + X benchmark address investment constraints the test may impose? Provide evidence or examples to support your views.

A new covered asset class benchmarked to CPI plus a margin would partially address investment constraints by providing a more suitable benchmark for assets that lack a credible, investable, and representative market index. This would be most useful for novel or thinly traded assets, including venture capital, social and affordable housing, and some transition-infrastructure or climate-related investments. A CPI + X approach recognises that these assets may have return profiles that are not well captured by listed equity, fixed income, property, or infrastructure benchmarks.

However, a CPI + X benchmark should not be treated as a complete solution. It may reduce mis-benchmarking but would not remove broader benchmark-hugging incentives, valuation uncertainty, or the risk of strategic reclassification. The margin would need to be centrally set and periodically reviewed to preserve comparability and prevent the benchmark from becoming either too lenient or too punitive (Stewart, 2014; Rudolph & Sabat, 2016).

3. How could this new covered asset class be designed? In particular:

3.1 How should eligible asset types be determined? What criteria could apply?

Eligible asset types should be determined through objective, principles-based criteria rather than trustee preference or a fixed list of assets. The key test should be whether the asset is poorly represented by existing benchmarks. Relevant criteria should include the absence of a well-established, investable, and representative market index; distinct risk-return characteristics; a long investment horizon; limited market depth; public-policy or productivity relevance; reliable valuation governance; and capacity for consistent reporting to APRA.

This approach would allow the framework to evolve as markets develop, while limiting inappropriate use of the new category. The purpose of the category should be to accommodate assets that genuinely fall outside existing benchmark structures, not to provide an alternative classification for assets that are already adequately covered (de Groot & Swinkels, 2008; Broeders et al., 2021).

3.2 How should the CPI + X target be set?

The CPI + X target should be set centrally through regulation or technical determination, following consultation with Treasury, APRA, and industry. A rolling ten-year CPI measure would be appropriate because it aligns with the ten-year performance-test horizon and smooths short-term inflation volatility. The margin above CPI should reflect the intended role and risk characteristics of the asset class, while remaining conservative enough to avoid over-rewarding lower-risk assets.



There is support for outcome-based and long-horizon benchmarks, but no single formula for setting the margin is identified. For that reason, transparency and periodic recalibration are essential. The target should be designed to maintain the credibility of the test while allowing investments with non-standard return profiles to be assessed more fairly (Stewart, 2014; Rudolph & Sabat, 2016).

3.3 Should different targets apply to growth and defensive assets?

Different targets should apply to growth and defensive assets. A single CPI + X target would risk under-rewarding high-risk, long-horizon growth assets or over-rewarding lower-risk defensive assets. A two-tier structure would better reflect the relationship between expected return, risk, and investment horizon.

A higher target would be appropriate for growth-oriented emerging assets such as venture capital, early-stage private equity, and innovation or transition infrastructure. A lower target would be more appropriate for defensive or income-focused emerging assets, including social housing debt or some forms of private credit (Stewart, 2014; Sexauer et al., 2012).

3.4 What allocation cap should apply, and why?

A five per cent strategic asset allocation cap is appropriate at commencement. This level is large enough to permit genuine diversification and innovation, but small enough to limit gaming, valuation risk, and material distortion of overall test outcomes. The cap should apply at product level and be calculated using strategic asset allocation weights.

The cap should be reviewed after implementation evidence becomes available. This would allow the framework to balance investment flexibility with member protection, while recognising that alternative and illiquid assets may provide diversification benefits but also introduce measurement, liquidity, and governance risks (de Groot & Swinkels, 2008; Defau & De Moor, 2020).

3.5 What other safeguards should apply, and why?

Safeguards should include prospective application, a central eligibility taxonomy, product-level allocation caps, APRA reporting checks, board approval, valuation-policy requirements, disclosure of methodology, anti-reclassification rules, and independent periodic review. Trustees should be required to document why an asset is not adequately represented by an existing benchmark and why the classification is in members' best financial interests.

These safeguards are necessary because emerging, alternative, and illiquid assets can provide genuine diversification benefits while also increasing valuation uncertainty, opacity, and classification risk. The objective should be to improve benchmark fit without weakening accountability or creating incentives to relabel assets for test purposes (Broeders et al., 2021; de Groot & Swinkels, 2008).

4. What are the key implementation and transition considerations for this option?



One potential policy response to this unintended consequence of the YFYS performance test is to broaden the range of market indices being eligible as performance benchmarks. Specifically, climate-titled indices could be incorporated alongside traditional market benchmarks. For example, the S&P/ASX 300 Carbon Efficient Index tracks the performance of companies in the S&P/ASX 300, systematically overweighting firms with lower carbon emissions intensity and underweighting those with higher emissions intensity. By allowing super funds with explicit carbon reduction targets and climate investment strategies to be assessed against such benchmarks, the superannuation performance test could better align evaluation metrics with stated investment objectives while maintaining accountability for responsible asset management practice for members' long-term exposure to climate-related financial risks.

Implementation should be prospective and phased. Trustees should have sufficient time to update strategic asset allocation reporting, valuation governance, investment-system mapping, and member disclosure. Assets acquired before commencement should not be retrospectively reclassified in a way that distorts past performance.

APRA should collect shadow data before the first binding test year, publish guidance, and test classification consistency across funds. This would reduce transition risk while allowing trustees to adapt investment governance and reporting systems (Basak & Pavlova, 2013; Bolton & Kacperczyk, 2021; Evans & Razeed, 2021; Pavlova & Sikorskaya, 2023).

Option 1.2: Improving the Existing Alternatives Covered Asset Class

5. To what extent would improving the Alternatives covered asset class address investment constraints the test may impose? Provide evidence or examples to support your views.

Improving the existing Alternatives covered asset class would help address investment constraints, but less comprehensively than a dedicated emerging-assets class. It would be a lower-disruption reform and would better accommodate established alternatives such as private credit, absolute-return strategies, hedge funds, infrastructure debt, and diversified alternative beta. However, it would not fully resolve the problem for genuinely emerging or socially directed assets with no credible benchmark.

The current Alternatives benchmarks rely on broad listed-equity and fixed-income proxies, which may not reflect the underlying risk-return characteristics of many alternative assets. Improving this category would recognise the distinct role of alternatives in diversification while preserving more continuity with the existing framework (Ruthbah & Shankar, 2025; Robertson et al., 2008; Defau & De Moor, 2020).

6. How could the Alternatives covered asset classes be improved? In particular:

6.1 What asset types should be eligible, and why?

Eligible Alternatives should include assets with genuinely non-traditional return drivers, sufficient maturity, and adequate governance to be managed as alternatives rather than misclassified traditional assets. Examples include private credit, absolute-return funds,



hedge funds, diversified alternative risk premia, insurance-linked strategies, opportunistic property or infrastructure debt, and some private-market strategies.

Assets that are better characterised as property, infrastructure, fixed income, or listed equity should remain mapped to those asset classes. This would limit gaming while recognising that alternatives are heterogeneous and may require different benchmark treatment (de Groot & Swinkels, 2008; Lee et al., 2019).

6.2 What changes should be made to the benchmarks, and why?

The Alternatives benchmarks should be refined so they better reflect underlying exposure rather than relying on broad listed-equity or fixed-income proxies. A defensible approach would be to split alternatives into sub-categories, such as private credit, hedge-fund or absolute-return strategies, and diversified alternatives, with benchmark mixes that reflect their economic exposure.

Where no robust index exists, a conservative CPI + X or cash-plus benchmark may be preferable. This would better reflect the fact that many alternatives have liquidity, risk, and return characteristics that differ materially from conventional listed markets (Ruthbah & Shankar, 2025; Lee et al., 2019; de Groot & Swinkels, 2008).

7. What are the key implementation and transition considerations for this option?

Implementation should include clear mapping rules, revised APRA reporting standards, prospective commencement, shadow testing, and transitional treatment for existing holdings. Trustees should document classification decisions and should not be permitted to move poorly performing conventional assets into Alternatives solely to obtain a more favourable benchmark.

Existing holdings should be grandfathered only to the extent necessary to avoid unfair retrospective failure. These controls are important because alternative-asset classifications can be broad and sensitive to measurement choices (Robertson et al., 2008; Defau & De Moor, 2020).

Option 2: Introducing an Assessment of Risk-Adjusted Returns

8. To what extent would introducing a simple reference portfolio address investment constraints the test may impose? Provide evidence or examples to support your views.

A simple reference portfolio would address investment constraints more comprehensively than targeted benchmark adjustments because it would assess total portfolio value added for a given risk level rather than judging each asset class against a prescribed index. This would materially reduce benchmark hugging and give trustees more freedom to use unlisted, alternative, emerging, or climate-aligned assets where they improve risk-adjusted outcomes.



However, replacing the existing framework would be a major design change and should only occur after shadow testing. The success of a reference-portfolio approach depends on choosing a transparent risk measure and avoiding excessive model complexity (Lee et al., 2019; Rudolph & Sabat, 2016; Mantilla-García, 2021).

9. How could the simple reference portfolio be designed? In particular:

9.1 What asset classes and market indices should be included in the reference portfolio, and why?

The reference portfolio should be simple, transparent, and investable. It should include Australian equities, international equities, Australian fixed income, international fixed income, and cash, using broad low-cost market indices. Property and infrastructure should only be included if the indices are investable, representative, and consistently available over the test horizon.

A simple equity-bond-cash structure is attractive because it reduces index proliferation and focuses on whether trustees add value above a passive risk-equivalent alternative. This approach aligns with long-term benchmark design principles for pension funds (Rudolph & Sabat, 2016; Mantilla-García, 2021).

9.2 Is volatility an appropriate proxy for risk? If not, is there an alternative approach?

Volatility is an appropriate starting proxy because it is observable, comparable, and practical across many products. However, it is incomplete. It may understate illiquidity risk, sequencing risk, drawdown risk, valuation smoothing, and retirement-income risk.

For accumulation products, volatility could be used in an initial reference-portfolio model, supplemented by disclosure or monitoring of drawdowns and illiquidity. For retirement products, volatility alone is not sufficient because members care about income sustainability, longevity risk, and sequencing risk (Doan et al., 2018; Doan et al., 2021; Warren, 2021).

9.3 What is an appropriate failure buffer to apply under this approach, and why?

The existing negative 50 basis point failure buffer should be retained only as a starting point during shadow testing. It should not be assumed to be automatically transferable to a risk-adjusted reference-portfolio test because the new methodology may have different measurement error and volatility sensitivity.

If shadow testing shows materially higher noise, a wider buffer or staged enforcement may be required. The objective should be to capture persistent underperformance, not penalise legitimate long-term risk-taking (Evans & Razeed, 2021; Rudolph & Sabat, 2016).

10. What are the key implementation and transition considerations for this option?

Implementation should involve at least two to three years of shadow testing before any binding replacement of the current framework. APRA should publish aggregate outcomes, compare pass/fail results against the current test, test sensitivity to volatility measures, and assess impacts on different product types.



Trustees would need time to update risk systems, strategic asset allocation reporting, investment governance, and member disclosures. The main risk is replacing an imperfect but understandable test with a more complex framework that may be harder for members to interpret (Evans & Razeed, 2021; Mantilla-García, 2021).

Option 3: Introducing a Routine Review of the Benchmarks

11. Would introducing a routine review support the ongoing effectiveness of the benchmarks?

Provide evidence or examples to support your views.

A routine review would materially support the ongoing effectiveness of the benchmarks. Benchmarks should evolve as asset classes, index quality, market depth, fees, tax assumptions, product design, and member needs change. A scheduled review would reduce the risk of benchmarks becoming outdated and would provide a transparent mechanism for updating them without undermining stability.

A review process would also allow evidence of benchmark hugging, climate-related investment constraints, and poor representation of emerging asset classes to be assessed systematically (Rudolph & Sabat, 2016; Perrett, 2011).

12. How could a routine review of the benchmarks be designed? In particular:

12.1 What issues should be within scope of the review, and why?

The review should cover benchmark relevance, index investability, data availability, commercial licensing costs, asset-class definitions, treatment of unlisted assets, fee and tax assumptions, currency hedging, valuation smoothing, product-scope issues, and whether benchmark design creates unintended investment constraints.

The review should also examine evidence of benchmark hugging and whether specific asset classes, including venture capital, renewable energy, social housing, and climate-related strategies, remain poorly represented (Bell, 2022; Bell & Warren, 2025; de Groot & Swinkels, 2008).

The review should also consider whether technology-enabled investment channels are changing the investability, data availability, liquidity, valuation quality or benchmark suitability of emerging and alternative assets. This includes developments in private-market platforms, digital custody, tokenised assets, fintech-enabled access to overseas markets, AI-enabled investment analytics, and other forms of digital market infrastructure (Gozman, Liebenau and Mangan, 2018; Muthukannan, Gozman, Tan, & Dhavamani, 2026; Schlagwein., Gozman, & Manus, 2026; Gozman, D., & Currie, W. 2014;

12.2 Who should be responsible for conducting the review, and why?



Treasury should lead the review because benchmark design is a policy choice with implications for member protection, investment incentives, and capital allocation. APRA should provide data, implementation advice, and supervisory insights. Independent investment experts, index specialists, consumer representatives, and industry participants should be consulted.

The final decision should remain with Government or delegated regulation rather than private index providers or industry alone. This would balance legitimacy, technical competence, and independence (Productivity Commission, 2018; Rudolph & Sabat, 2016).

12.3 How frequently should the review occur, and why?

A full review should occur every five years, supported by limited trigger-based reviews where an index is discontinued, becomes materially unrepresentative, suffers data-quality problems, or a new asset class becomes systemically important. A five-year cycle is frequent enough to respond to market development while preserving predictability and avoiding constant methodology changes.

This approach aligns with the long-term orientation of the test and the need for stable incentives in superannuation investment governance (Stewart, 2014; Rudolph & Sabat, 2016).

13. How should the benchmarks be specified and updated over time?

Core benchmark principles, product coverage, and failure consequences should be specified in regulations or legislative instruments to preserve transparency and accountability. Technical index details should be updated through a delegated instrument after consultation, impact assessment, and adequate notice.

Updates should generally be prospective, with transition rules for material changes. This would allow the framework to remain stable while preventing outdated benchmarks from constraining investment decisions or creating avoidable measurement distortions.

14. What are the key implementation and transition considerations for this option?

Implementation should include a published review timetable, terms of reference, consultation process, data-impact assessment, and at least one year's notice before material benchmark changes affect binding test results. Trustees should receive shadow results where changes are material.

APRA should update reporting standards in advance so trustees can classify assets consistently. This would avoid sudden benchmark changes that destabilise investment strategy or create retrospective failure risk (Evans & Razeed, 2021).

15. What other issues with the benchmarks could warrant consideration, either as part of a regular review, or more broadly?



Other issues warranting consideration include valuation smoothing for unlisted assets, lagged pricing, currency hedging, after-tax benchmarks, fee and tax assumptions, commercial indexing costs, benchmark concentration, climate-transition strategies, faith-based and ESG strategies, and the interaction between investment performance and administration fees.

After-tax benchmarking is particularly relevant because superannuation outcomes are measured after tax, while different asset classes and strategies can have materially different tax effects (Bell & Warren, 2025; Perrett, 2011).

Option 4: Testing Externally Directed Accumulation Products / Single-Sector Products / Retirement Products

16. Are there specific products for which performance testing would be unsuitable? If so, why? provide evidence or examples to support your views.

Standard performance testing is unsuitable, or requires major modification, for products where the trustee does not control portfolio construction, where the member deliberately chooses a single-sector exposure, or where the objective is retirement income rather than accumulation return. Examples include externally directed platform options, highly concentrated single-sector options, and retirement products with drawdown, pooling, guarantee, or longevity features.

Applying a uniform accumulation test to these products could mismeasure trustee performance and distort product design (Warren, 2021; Sexauer et al., 2012; Timmermans et al., 2011).

17. How could the test be extended to externally directed products? What design elements need to be considered?

The test should first be extended to diversified externally directed accumulation products where a meaningful product-level benchmark can be constructed. Design elements should include a clear definition of diversified product, minimum data-quality standards, treatment of member-directed asset choices, cohort-specific representative administration fees and expenses, and product-level disclosures.

Products should not fail where underperformance is primarily caused by member-directed switching outside trustee control. Extension is justified to close gaps in member protection, but only where trustee accountability can be fairly attributed (Productivity Commission, 2018; Evans & Razeed, 2021).

18. What are the key implementation and transition considerations in extending the test to externally directed products?

Implementation should be phased through data collection, shadow testing, and then binding application. The main issues are identifying product populations, standardising asset allocation data, separating trustee-directed and member-directed decisions, calculating representative



fees for platforms, and communicating results to members without implying that all investment choices are trustee failures.

Trustees will need time to update systems and disclosures, and APRA will need guidance to ensure consistent reporting (Australian Prudential Regulation Authority, 2025b; Evans & Razeed, 2021).

Externally directed products also raise distinctive information systems and accountability issues. Where investment decisions are mediated through platforms, model portfolios, digital advice tools, fintech intermediaries or member-directed interfaces, the performance test needs to distinguish clearly between trustee-controlled product design and outcomes generated by third-party or member-directed choices. Regulators should therefore require trustees to maintain systems that record decision rights, data flows, benchmark mappings, fee attribution and member-directed switching activity. Without this systems-level transparency, there is a risk that products avoid meaningful accountability because responsibility is dispersed across platforms and external providers, creating additional complexity and information asymmetry similar issues contributed to the Great Financial Crisis in 2008 (Currie, W. L., Gozman, D. P., & Seddon, J. J. 2018; Gozman, Butler, & Lyytinen, K. 2020).

19. What are the key considerations in extending the test to single-sector products?

Single-sector products require a different approach because members choose the sector exposure. The test should assess implementation efficiency, fees, and benchmark-relative performance within the selected sector, rather than whether the sector itself underperformed a diversified product.

A defensive single-sector option and an equities single-sector option should not be compared using the same diversified benchmark. Extension may be appropriate only where there is a clear, investable sector benchmark and enough comparable products to calculate fair administration-fee comparisons (Timmermans et al., 2011).

20. What are the key considerations in extending the test to retirement products?

Retirement products should not be tested through a simple accumulation-style net-return framework. They should be assessed against retirement-specific objectives, including sustainable income, drawdown risk, sequencing risk, longevity protection, flexibility, liquidity, fees, and member outcomes.

A direct extension may discourage trustees from developing pooled, guaranteed, or longevity-protection products because those products may appear expensive or lower-returning when assessed only by accumulation metrics. Retirement product testing should therefore use income-focused measures rather than only total-return accumulation measures (Warren, 2021; Sexauer et al., 2012; Timmermans et al., 2011).

21. Could performance testing retirement products create risks to broader retirement income objectives? If so, what are these risks and how could they be mitigated?



Poorly designed performance testing for retirement products could create risks to broader retirement-income objectives. It could push trustees toward liquid, low-cost, and benchmark-friendly products that score well on short-term return metrics but provide weaker income stability, longevity protection, or sequencing-risk management.

This would conflict with the policy objective of helping members convert savings into sustainable retirement income. Any retirement test should therefore measure income adequacy, income durability, and risk management, not only annualised investment performance (Warren, 2021; Mantilla- García, 2021; Sexauer et al., 2012).

Conclusion

The consolidated analysis provided by Professor Eliza Wu, Associate Professor Jing Yu, and Dr Charlie Koh supports retaining the superannuation performance test while refining its benchmark design. The current test has strengthened accountability and reduced exposure to underperforming products, but it can also constrain investment in assets and strategies that are poorly represented by existing benchmarks.

The strongest near-term reform pathway is staged and targeted. A new emerging asset class with a centrally set CPI + X benchmark should be introduced with strict eligibility criteria, allocation caps, and safeguards. The existing Alternatives covered asset class should be improved to better reflect the economic characteristics of alternative assets. A simple reference portfolio may offer a more comprehensive long-term solution, but only after shadow testing. Routine benchmark review should be embedded to ensure the framework remains fit for purpose as markets evolve.

Any expansion of the test should proceed cautiously and only where performance can be fairly attributed and benchmarked. Externally directed accumulation products may be suitable for phased inclusion, while single-sector and retirement products require modified frameworks. Retirement products, in particular, must be assessed against income sustainability, longevity protection, and sequencing-risk management rather than accumulation-style return metrics alone.

Overall, the performance test should continue to protect members from persistent underperformance while avoiding unintended barriers to long-term, diversified, climate-aligned, and productivity-enhancing investment.

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