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**Superannuation Legislation Amendment (Trustee Governance) Bill 2015 [Provisions]**

To whom it may concern

A requirement to appoint independent directors to superannuation fund boards is an important reform to create a minimum standard of governance across the superannuation industry.

Small businesses in Australia have often been disregarded by trustee boards that have put the interests of trade unions or large employers first. As a major employer in the Australian economy, it is wrong that small businesses have been sidelined by governance models that do not require trustees to consider the impact of a fund's operations on the small business sector.

The proposed requirement for independent directors is the product of a long period of consultation between consecutive governments and the industry. It was subject to comprehensive reviews by the previous Labor government, through the Cooper Review in 2009, and the current government in the Financial System Inquiry in 2015. Both reviews concluded that a requirement for independent directors on trustee boards was consistent with international best practice and in the best interests of consumers.

The proposed reforms will apply evenly across the superannuation industry and it would be wrong to conclude they target any individual sector. All types of superannuation funds have been effected by governance failures from time to time and the reforms will provide an important, additional layer of protection against future failures.

If we continue to limit the options for appointment of directors to superannuation funds than members funds must be at risk, any professional financial manager will support having access to the best skilled directors and not limiting that through preference or exclusiveness.

Yours sincerely

Peter Strong  
CEO