



AUSTRALIAN INSTITUTE of
SUPERANNUATION TRUSTEES

Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.2) Bill 2017

29 September 2017

AIST Submission to Senate Economics Legislation Committee



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AIST

The Australian Institute of Superannuation Trustees is a national not-for-profit organisation whose membership consists of the trustee directors and staff of industry, corporate and public-sector funds.

As the principal advocate and peak representative body for the \$700 billion profit-to-members superannuation sector, AIST plays a key role in policy development and is a leading provider of research.

AIST provides professional training and support for trustees and fund staff to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members. Each year, AIST hosts the Conference of Major Superannuation Funds (CMSF), in addition to numerous other industry conferences and events.

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Executive summary

AIST provides the following recommendations in relation to this Bill:

Changes to remove salary sacrifice loopholes welcomed: AIST welcomes these changes which will remove the loopholes which presently allow employers to reduce the Superannuation Guarantee (SG) entitlements of employees who use salary sacrifice arrangements.

Make SG payable on gross remuneration: AIST suggests that the effectiveness of the new salary sacrifice measure could be enhanced by using gross remuneration as the basis of calculation of the SG, and removal of the ability for employers to generically label concessional contributions in SuperStream.

Choice of superannuation fund must not leave consumers worse off: AIST supports the principle of choice in superannuation but argues this has to be provided in a way that does not leave consumers worse off, and operates in an environment of meaningful disclosure and consumer protections.

Existing exemptions from choice of superannuation fund should remain in some cases: In the event the Government decides to proceed with this legislation, AIST proposes that the existing exemption remain for enterprise agreements where superannuation benefits in excess of the community standard are negotiated between the employer and their employees.



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Introduction

The Australian Institute of Superannuation Trustees (AIST) welcomes the opportunity to comment on the *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.2) Bill 2017*.

On 14 September 2017 the Government introduced four Bills that, if passed, will have a significant impact on the superannuation system. This submission relates to the measures in the *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.2) Bill 2017*. Our views on each of the other Bills are contained in separate submissions.

The Bill contains two measures: Salary sacrifice integrity and choice of fund for workplace determinations and enterprise agreements.



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Salary sacrifice integrity

AIST welcomes the measures outlined in this Bill that seek to remove the loopholes applying to employees who contribute to superannuation via salary sacrificing arrangements. Where offered, salary sacrifice represents an efficient and effective way for employees to top up their superannuation balances, without the risks associated with direct debit arrangements, or the discipline needed for large one-off contributions.

The changes in the Bill will remove the two primary loopholes which can see employers use salary sacrificed amounts to reduce their Superannuation Guarantee (SG) liability, as well as using the reduced salary base to recalculate smaller SG liabilities.

AIST supported the recommendations in the Cross-Agency Working Group's report (as well as in the Senate Economics References Committee's report) which recommended that these loopholes be closed down. As such, we support the measures in this Bill and wish to see them implemented without delay. While it is disappointing that the measures cannot be implemented any earlier than July 2018, we recommend the passage of these measures through Parliament and acknowledge the commitment the Government has displayed with respect to this legislation.

Enhancements

While this measure will ensure that members are not short-changed when entering into salary sacrifice arrangements with their employers we believe that there are two enhancements that could have been made to this measure to ensure that this was even more useful to super fund members.

First, we note that the calculation for salary sacrifice entitlements will now take place at a recalculated base, set as the pre-salary sacrifice base. The definition (as explained at paragraph 2.23 of the draft Explanatory Memorandum (EM)) adds back sacrificed amounts which have been sacrificed for superannuation purposes. Whilst this improves the salary base for SG calculation purposes, we note that it does not consider other amounts that may have been removed from the salary amount, such as reportable fringe benefits.

In addition to this issue, we point out the considerable uncertainty that exists at employers around what is considered to fall within Ordinary Time Earnings (OTE). OTE has been the subject of numerous attempts at clarification by the ATO, most recently in the form of Superannuation Guarantee Ruling SGR 2009/2 which clarified that no form of overtime, even if required to be regularly worked by an employee, formed part of OTE.



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AIST believes that a more elegant solution to these problems would be to make the SG payable on gross remuneration. This avoids complex formulae and ensures that employees' mandated retirement savings is calculated the way that it is intended.

Finally, we note that SuperStream still allows employers to make all concessional contributions to funds under a generic label, whether they are SG, salary sacrificed or any other class of concessional contribution able to be made by employers. The downstream effects of this are myriad, and removes the ability of non-SG amounts being properly reported to funds or the ATO, along with the ability of the ATO to enforce SG non-payment. We recommend removal of generic labelling of concessional contributions and recommend that the source of all concessional contributions be cleanly labelled.

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Choice of fund for workplace determinations and enterprise agreements

In late 2015 the Government released exposure draft legislation titled *Superannuation Legislation Amendment (Governance) Bill 2015: Extending Superannuation Choice to Enterprise Agreements*. The exposure draft contained provisions that sought to extend choice of fund to more employees under enterprise agreements and workplace determinations made from 1 July 2016.

On 27 January 2016 AIST submitted to Treasury detailing our views on the measures and recommendation 12 of the Financial System Inquiry (FSI) Final Report.¹

The current Bill, *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.2) Bill 2017*, contains measures that are in effect identical to those outlined in the exposure draft legislation released in late 2015, therefore we re-state the arguments contained in our submission dated 27 January 2016.²

AIST supports the principle of choice in superannuation but argues this has to be provided in a way that does not leave consumers worse off, and operates in an environment of meaningful disclosure and consumer protections.

In the event the Government decides to proceed with this legislation, AIST proposes that the existing exemption remain for enterprise agreements where superannuation benefits in excess of the community standard are negotiated between the employer and their employees. This submission suggests ways to clarify transition and the selection of default funds.

Introduction and context

The proposed legislation continues some exemptions from an employer being required to offer employees a choice of fund, while removing the exemption where contributions are made in accordance with enterprise agreements or workplace determinations.

Neither the Government nor the FSI provided a compelling case in support of this recommendation, which is especially significant given it has been established (and submitted to

¹ Garcia, T. (2016). *Re: Extending superannuation choice to enterprise agreements and workplace determinations*. [online] Melbourne: Australian Institute of Superannuation Trustees. Available at: <http://tinyurl.com/hel2ope> [Accessed 27 Sep. 2017].

² The main differences between the exposure draft and the Bill concern provisions with temporal elements.



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the FSI by AIST) that the performance of superannuation funds nominated in industrial instruments is higher than that of the average performance super funds as a whole.

The retention of some exemptions and not others is therefore somewhat arbitrary. The exemption for defined benefit funds is entirely justifiable, but so should be the exemption of other circumstances where it is in superannuation fund members' best interests (for example where the arrangement provides these members with additional benefits).

The FSI, the Super System Review before it and ASIC on an ongoing basis, have identified problems with providing meaningful superannuation disclosure to members. *Regulatory Guide 97: Disclosing fees and costs in PDSs and periodic statements* serves (RG 97) as another useful example of how difficult it can be to provide meaningful disclosure to superannuation fund members, especially when the disclosure is predicated on meaningful comparison of fees and costs across a variety of asset classes.

Better disclosure is fundamental to exercising choice in a way that promotes members' interests. Achieving transparency and better consumer comprehension through improved disclosure uniformly implemented across all funds will improve competitiveness of the sector and the ability of members to identify the products and funds that are right for them.

However, AIST recognises the intention of the Government to proceed with these measures notwithstanding these issues. Therefore, rather than opposing the legislation, AIST proposes a legislative amendment protecting these additional benefits by continuing to allow an exemption in such cases.

As it is clear from the explanatory memorandum³ that a purpose of the (existing and ongoing) defined benefit exemption is to protect retirement, resignation and retrenchment benefits that are different from – and in excess – of other superannuation arrangements. AIST's proposition follows this same logic.

The explanatory memorandum lacks clarity about the selection of default fund arrangements in enterprise agreements, and we suggest ways to achieve clarity.

³ EM page 10, para 1.16 – 1.19.



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Lack of choice does not contribute to multiple superannuation accounts or higher fees

AIST provided evidence in support of this proposition in our submission in response to the Final Report of the FSI. However, our arguments were neither addressed nor rebutted by the Government and they remain relevant.

They are summarised below: The FSI came to the view that the absence of choice is a barrier to members engaging with their superannuation, and that this barrier should be removed. In coming to this view, the FSI approvingly noted submissions that highlighted the benefit of choice in providing flexibility for members and lowering fees through greater competition. The FSI also asserted that this exemption to choice also contributed to employees having multiple accounts and paying multiple sets of fees.

The *Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004* became effective on 1 July 2005, over 10 years ago. It allowed many employees to choose which superannuation fund received their mandatory Superannuation Guarantee contribution. The Government at the time argued that choice would result in greater engagement, lower fees, and allow fund members more options to choose the investment strategy that was right for them.

This outcome has not been realised. It was the conclusion of the Super System Review that⁴:

The Panel therefore accepts that the model of member-driven competition through 'choice of fund' (in the form of SG Act choice and consequent portability) has struggled to deliver a competitive market that reduces costs for members.

... A key tenet of the 1997 Wallis Report was that super fund members should be treated as rational and informed investors, with disclosure and market conduct controls being the main regulatory instruments with which to oversee the industry. More specifically, these settings assume that members have the tools at their disposal, and the necessary regulatory protections in the market place, to enable them to make optimal decisions about their investment strategies, about when to enter and exit the market, and about what to do with their super on reaching retirement. In a compulsory system, it also assumes that members have the requisite degree of interest.

⁴ Cooper, J., Casey, K., Evans, G., Grant, S., Gruen, D., Heffron, M., Martin, I. and Wilson, B. (2012). *Super System Review Final Report Part One Overview and Recommendations*. [online] Canberra: Commonwealth of Australia, Attorney-General's Department, p.8. Available at: <http://tinyurl.com/n7wl3lb> [Accessed 27 Sep. 2017].

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But, for many members, this is not the case.

After citing the 2006 *Adult Literacy and Life Skills Survey of Australians* published by the Australian Bureau of Statistics (ABS) in January 2008, the Super System Review also concluded:

While these financial literacy statistics are stark, the fact remains that a compulsory system based on informed investors making rational choices fails to confront this reality.⁵

While the FSI recycled the arguments used in 2005 to support choice of fund, it did not present any evidence to counter the conclusions reached by the Super System Review in 2010. Six years later, and notwithstanding the introduction of MySuper to further protect disengaged and disinterested members, this remains the case.

Default funds listed in industrial awards generally deliver higher returns than the average

While we have not undertaken an analysis of enterprise agreements, there is evidence that superannuation funds listed in awards deliver higher investment returns than those not listed in awards. An analysis of comparative performance was undertaken by the Productivity Commission inquiry into *Default Superannuation Funds in Modern Awards*.

The investment performance of default funds listed in modern awards has been relatively strong when compared to non-default funds. Over the eight years to 30 June 2011, default funds averaged an annual (after tax) rate of return of 6.4 per cent, compared with 5.5 per cent for non-default funds, and default funds collectively outperformed non-default funds in each year except 2009 (figure 4.1 – see below).⁶

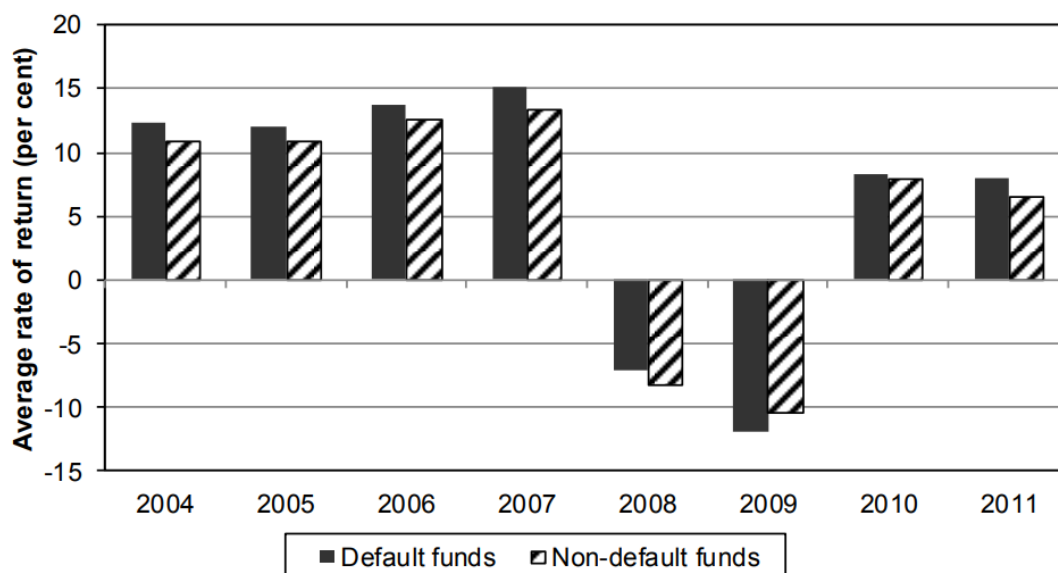
⁵ Cooper et al (2012). as cited in a previous footnote, p.8.

⁶ Productivity Commission, (2012). *Default Superannuation Funds in Modern Awards*. Report No. 60, Final Inquiry Report. [online] Canberra: Productivity Commission, p.73. Available at: <http://tinyurl.com/qxct8jo> [Accessed 25 Mar. 2015].

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Figure 4.1 Superannuation fund performance

Default funds versus non-default funds



Sources: Productivity Commission estimates based on APRA fund-level profiles and financial performance data 2011 (APRA 2012j); FWA (2012e)

The FSI also asserted that the absence of choice also contributed to employees having multiple accounts. However, ASIC in its initial submission noted that choice of fund had not resulted in a reduction of duplicated accounts:

These [choice of superannuation fund] changes also made it possible for members with multiple accounts to more easily consolidate these accounts and reduce the amount of fees they pay for maintaining multiple accounts. However, in practice, this consolidation did not lead to a decrease in the number of accounts in the industry. The number of accounts continued to grow to more than 30 million, even though the number of employed persons in Australia is roughly 40% of this number. This means that for every employed person there are approximately 2.5 accounts. A large number of these accounts are small, unclaimed or lost and some are for retirees receiving superannuation in the form of a pension.⁷

⁷ ASIC, (2014). *Financial System Inquiry: Submission by the Australian Securities and Investments Commission*. April 2014. [pdf] Canberra: Australian Securities & Investments Commission, p.227. Available at: <http://tinyurl.com/pptq436h> [Accessed 25 Mar. 2015]



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Finally, the FSI asserts that lack of choice contributes to disengagement with superannuation but does not provide any evidence to support this. While the low level of engagement in superannuation is universally accepted (along with the concomitant issue of financial illiteracy mentioned above), there is no evidence of higher disengagement amongst members with no choice of fund compared with members in a default fund environment where other superannuation funds can be chosen.

Better disclosure is fundamental to exercising choice in a way that benefits members' interests

AIST welcomes the recommendations by the FSI to improve meaningful disclosure, and the positive response made by the Government in response to these recommendations.

While AIST strongly supports the greater alignment of MySuper and Choice disclosure through the introduction of Choice Product Dashboards, we are concerned many products (including many platforms and legacy products) are excluded. Appendix 1 details the inconsistent treatment between MySuper and Choice products, exploring the exemptions, gaps and inconsistencies.

Alignment of MySuper and Choice is needed to protect members and ensure greater superannuation system efficiency. The extension of Choice of Fund proposed by the Government should be accompanied by more and not less disclosure.

Minimise disruption to employers

Changing enterprise agreements can be contentious and costly. Changes to the rules governing enterprise agreements may be unnecessarily disruptive. This is especially the case as superannuation is a remuneration-related entitlement, and wage-related matters are generally central to the success or otherwise of enterprise-level negotiations.

Removing the EBA exemption from Choice of Fund may result in employees losing benefits.

A common characteristic of many of these environments not providing choice of fund is that they often provide benefits in excess of that provided by the *Superannuation Guarantee (Administration) Act 1992*, including additional employer contributions (or their equivalent in the case of Defined Benefit funds), insurance, and , in the case of some government funds, guaranteed levels of retirement benefits. It is therefore not in the interests of members of such funds to switch into superannuation funds that offer lesser benefits and may remove certainty and security.

AIST disagrees with the underlying assumption of the FSI that choice of fund will result in members becoming more engaged and making decisions that are in their financial best interests,



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and that this benefit should therefore be made available to all superannuation fund members. The experience of the past decade does not support this.

Excess benefits provided under enterprise agreements should be protected

There is no evidence that the Government's proposed extension of the Choice of Fund regime to enterprise agreements will improve outcomes for the affected. Rather, some Australian employees could be worse off as a result of the proposed changes losing benefits such as additional employer contributions, enhanced insurance arrangements and guaranteed retirement benefits.

In some instances, insurance cover has been provided on a basis and at a rate reflecting that all or most employees of an employer will be in a fund. These arrangements are compromised if the fund does not cover these employees. Bespoke insurance arrangements and automatic acceptance may be threatened, and higher premiums may result.

These additional benefits arise as a result of enterprise bargaining, where the respective claims of employees and their representatives and the employer are negotiated. These negotiations may involve the removal of existing conditions and the addition of new conditions. It is the outcome of these negotiations, and the trade-offs they may entail, that are voted on in enterprise agreements.

On a collective basis, enterprise agreements allow employees to decide which super fund(s) – the recipient(s) of their deferred wages – are best for their circumstances. This is particularly important where the outcome involves the provision of additional superannuation benefits.

AIST proposes that the provision of additional superannuation benefits should be protected, and that these be allowable as circumstances that satisfy the Choice of Fund requirements.

Amend the legislation to allow the continuance of the Choice of Fund exemption where additional superannuation benefits are provided

In effect, this will operate as a type of 'no disadvantage' test. In the words of the Explanatory Memorandum, this would be an "other circumstances" exemption.

AIST has identified a range of specific additional superannuation benefits that are provided under enterprise agreements, and proposes that this list of additional matters be listed in section 32C (*Contributions that satisfy the choice of fund requirements*) as the other circumstances that meet the requirements for the exemption. AIST proposes the insertion of the following after proposed subsection 32C (6AA):



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Contributions under a workplace determination or enterprise agreement on or after 1 July 2018 which prescribes additional benefits for employees

(6AB) A contribution to a fund by an employer for the benefit of an employee under a workplace determination or enterprise agreement made on or after 1 July 2018 is also made in compliance with the choice of fund requirements in circumstances where a term of the workplace determination or workplace agreement provides that:

- (a) employer contributions paid to the fund are in excess of those required under section 19(2) of the *Superannuation Guarantee (Administration) Act 1992* from time to time; or
- (b) employer contributions are payable to the fund during prescribed periods of paid or unpaid leave where such payments are not normally required; or
- (c) fees, costs, or spreads charged by the fund are paid either in full or in part by the employer in addition to or independently of employer contributions to the fund that already satisfy section 19(2) of the *Superannuation Guarantee (Administration) Act 1992*; or
- (d) any part of a premium intended to pay for insurance benefits available to employees as a result of membership of the fund is paid either in full or in part by the employer in addition to or independently of employer contributions to the fund that already satisfy section 19(2) of the *Superannuation Guarantee (Administration) Act 1992*; or
- (e) under an arrangement between the employer and the fund:
 - (i) fees, costs or spreads charged by the fund are discounted by the fund, either in full or in part; or
 - (ii) insurance benefits available to employees are improved relative to ordinary membership eligibility; or
 - (iii) normal underwriting, assessment or policy limitations are waived or reduced; or
 - (iv) normal underwriting, assessment or policy restrictions are improved or increased; or
 - (v) specified discounts or other entitlements are available with respect to other goods or services provided by third parties other than the employer or the fund; or
 - (vi) any other benefit is available to an employee in excess of ordinary superannuation benefits;

as a result of membership of the fund under an arrangement between the employer and the fund made either in addition to or independently of employer contributions to the fund



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that already satisfy section 19(2) of the *Superannuation Guarantee (Administration) Act 1992*; whether or not the fund is a chosen fund for the employee.

For the purposes of paragraph (e)(iii), **normal underwriting, assessment or policy limitations** for insurance benefits include (but are not limited to) limitations such as waiting periods for income protection benefits, qualifying periods for benefits, occupational limitations, total and permanent disability criteria, policy loadings and policy exclusions.

For the purposes of paragraph (e)(iv), **normal underwriting, assessment or policy restrictions** for insurance benefits include (but are not limited to) restrictions such as benefit periods for income protection benefits, default levels of coverage for new fund members, automatic acceptance limits for new fund members, and maximum levels of coverage available.

In the alternative, AIST proposes a more general formulation to the effect that a contribution to a fund for the benefit of an employee is made in compliance with the choice of fund requirements if the employer contributions paid to the fund are in excess of:

- (a) those required under section 19(2) of the *Superannuation Guarantee (Administration) Act 1992* from time to time, or
- (b) the minimum requirements for a MySuper product.

Continue the Defined Benefit exemption, and seek clarification that it applies to both existing and newly eligible defined benefit members.

While the current and proposed legislation provides an exemption from the Choice of Fund requirements for defined benefit members of super funds, the explanatory memorandum should be amended to clarify that the exemption applies to both existing and future defined members of super funds.

It is not necessarily clear that the Bill provides an exemption for both new employees who become eligible to join the defined benefit fund and existing employees who become newly eligible. This creates uncertainty and potential inconsistencies that can be resolved by the clarification sought.

Clarify relationship between Choice of Fund and selection of default funds

While Choice of Fund and the selection of default super funds are related, they can be conflated and confusing.



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AIST propose that there be specific clarifications in the Explanatory Memorandum as follows. While AIST understands that this is the case (and does not require legislative change), such clarification would assist in reducing confusion and uncertainty:

- (a) The exemption in pre-1 July 2018 enterprise agreements and workplace determinations can continue for new employees (and newly eligible existing employees) covered by the enterprise agreement;
- (b) The exemption will continue after the nominal expiry date of an enterprise agreement or workplace determination, pending replacement by another enterprise agreement or other industrial implement;
- (c) Post-1 July 2018 enterprise agreements and workplace determinations can continue to specify superannuation matters, including the nomination of a default fund; and
- (d) Post-1 July 2018 enterprise agreements and workplace determinations can continue to provide additional superannuation benefits.

The Choice of Fund regime must be supported by a process for the selection of default funds that provides high levels of consumer protection.

This submission has already identified the disconnect between the extension of Choice of Fund by the Bill, and the diminution of comprehensive disclosure requirements.

The other and related area of policy imbalance is between this legislation and the processes for the selection of default super funds. It is reasonable to suggest that an extension of Choice of Fund arrangements should be preceded by the implementation of a process for the selection of default funds that safeguards members' interests.

AIST confirms our support for the implementation and operation of the legislated (but not operational) Fair Work Commission processes for the selection of default funds.

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Appendix 1 – Inconsistent treatment between MySuper and Choice products

This is an extract from AIST's submission⁸ to the Senate Inquiry into consumer protection in the banking, insurance and financial services sector:

The following table summarises the numerous exemptions, gaps and inconsistencies afforded through the legislative environment to choice superannuation products. At 30 June 2015, choice superannuation products cover \$904,556 million of members' pre-retirement superannuation moneys compared with \$428,300 million in MySuper. More detail regarding these may be found in AIST's submission.

Table 1 – Overview of exemptions from regulatory framework

Different treatment	Comments	Impact on consumers
No explicit duties on trustees to promote the financial interests of beneficiaries, or apply a scale test for choice products/investment options.	<p>The value of retirement savings in pre-retirement choice products /investment options is double the value in MySuper products.</p> <p>In 2014 SuperRatings found substantial differences between fees for MySuper and choice products, particularly within retail superannuation funds – even when the underlying asset allocations were almost identical.</p> <p>According to APRA there are 120 MySuper products but over 40,000 member investment choices.</p>	<p>The compounding effect of higher fees over long term reduces retirement incomes for members of choice products.</p> <p>Choice overload baffles members.</p> <p>The choice sector of the superannuation system is not achieving efficiencies of scale.</p>
<p>The Government deferred the requirement for choice dashboards in 2014, 2015 and 2016.</p> <p>It plans to amend the law so funds would only need to produce dashboards for their 10 largest choice options.</p>	<p>The Super System Review, Financial System Inquiry, and the Grattan Institute have all concluded that the level of fees paid by members is too high.</p> <p>SuperRatings has criticised the poor level of disclosure of fees, noting there is still a long way to go to achieve comparability of fees across MySuper and choice products/investment options.</p>	<p>Members of choice products/investment options do not have a dashboard and so cannot easily compare their returns, fees or costs with MySuper products.</p> <p>Under the Government's proposal, dashboards will not be required for most choice investment options.</p>

⁸ AIST (2017). *Senate Inquiry into consumer protection in the banking, insurance and financial services sector*. 7 March 2017, AIST Submission. [online] Melbourne: Australian Institute of Superannuation Trustees, pp.9-12. Available at: <http://tinyurl.com/mmd7vlr> [Accessed 27 Sep. 2017].



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Different treatment	Comments	Impact on consumers
APRA does not collect or publish statistics on choice products/investment options equivalent to the comprehensive statistical collection derived from the MySuper reporting standards.	APRA deferred collecting data for choice products/investment options for consideration during the development of the requirements for choice dashboards.	Members rely on APRA, employers, advisers, Government, researchers, commentators and trustees to analyse the characteristics and performance of choice products/investment options. Lack of data hampers this.
No requirement to ensure switching funds is in the best interests of the member when giving general advice or under no-advice business models.	ISA analysis of Roy Morgan research found an increase in cross-selling retail superannuation using general advice and no-advice business models.	Members are switched from a MySuper product to an inferior choice product/investment option, when it is not in the best interests of the member.
New fees and costs disclosure requirements do not apply to superannuation held via a platform.	<p>According to Rainmaker, over 70 per cent of retail superannuation assets in Australia are held via platforms.</p> <p>According to Lane Clark Peacock, UK members may be paying up to 20 basis points per annum to access an active fund through a platform when compared with the cos of going direct to the fund manager.</p> <p>According to the UK Financial Conduct Authority, platforms add 20-90 basis points to costs.</p>	<p>Disclosure for superannuation held via a platform understates fees and costs paid by the member.</p> <p>ASIC admits it would be misleading to compare the fees and costs of platforms and non-platform superannuation funds.</p> <p>The compounding effect of higher costs over long term reduces retirement incomes for members.</p>
The (unimplemented) dashboard regime for choice products/investment options will not include platforms.	While the Government amended the regime to require dashboards for products/investments held via a platform, platforms themselves will be exempt.	Members who hold their superannuation via a platform will not have a dashboard for it, compounding an existing difficulty comparing their returns, fees or costs with MySuper products.
APRA does not collect or publish statistics on platforms equivalent to the comprehensive statistical collection	APRA deferred collecting data for choice products/investment options for consideration during the development of the requirements for choice dashboards.	Members rely on APRA, employers, advisers, Government, researchers, commentators and trustees to analyse the characteristics and performance of superannuation held via a platform. Lack of data hampers this.



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Different treatment	Comments	Impact on consumers
derived from the MySuper reporting standards.		
No requirement to produce a shorter PDS for legacy products.	According to Rice Warner, around 30% of personal superannuation assets are held in legacy products.	This makes it difficult for members in legacy products to compare the performance, fees or costs of the product with a contemporary product, understand the exit costs and assess whether they would be better off switching to a contemporary product.
The (unimplemented) dashboard regime for choice products/investment options will not include legacy products.	<p>Rice Warner found fees and costs for legacy products are on average more than double those for contemporary products.</p> <p>UK Independent Project Board found £26 billion in legacy pension schemes had investment manager fees above 1%, with nearly £1 billion exposed to fees over 300 basis points per annum.</p>	Members who hold legacy superannuation products will not have a dashboard, making it difficult to compare their returns, fees or costs with contemporary products.
APRA does not collect or publish statistics on legacy products equivalent to the comprehensive statistical collection derived from the MySuper reporting standards.	APRA deferred collecting data for choice products/investment options for consideration during the development of the requirements for choice dashboards.	Members rely on APRA, employers, advisers, Government, researchers, commentators and trustees to analyse the characteristics and performance of legacy products. Lack of data hampers this.
Conflicted remuneration is banned for most of the financial services industry, but there is an exemption for advice about retail life insurance.	<p>In 2014 ASIC found more than one third of advice about retail life insurance reviewed did not comply with the law.</p> <p>96% of non-compliant advice was given by advisers paid an upfront commission.</p>	<p>Consumers are at significant risk of being recommended a life insurance policy that is not in their best interests.</p> <p>Industry and Government proposals to address this do not include banning commissions.</p>

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