

**Australian Administration
Services Pty Ltd**

ABN 62 003 429 114

All correspondence to:

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1 June 2012

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

Superannuation Legislation Amendment (Stronger Super) Bill 2012

Australian Administration Services Pty Ltd ("AAS") welcomes the opportunity to provide a submission to the Joint Parliamentary Committee enquiry into this Bill.

AAS is Australia's most technologically advanced and innovative Superannuation Administration provider. Founded in 1987, AAS services over 40 funds, over 4 million Members, and more than 350,000 Employers.

AAS is a core business of the Link Group.

In consideration of this Bill we recommend the Committee take into account the following:

- AAS is largely supportive of the proposed Stronger Super reform program. However, it needs to be acknowledged the reforms will be a significant transformation across the superannuation industry. It is estimated that the transition costs to implement the Stronger Super reforms (including APRA levies) will be in the order of \$34 to \$44 per Member account.
- The pace of the reform agenda is aggressive, and as such organisations are gearing up and spending money now to meet tight deadlines. Given the lack of certainty and clarity of detail, including upcoming legislation and regulations, there is a high risk of large amounts of Members' superannuation money being spent without a result.
- AAS have invested over \$150 million in Systems, People and Premises over the last four years and is well positioned to implement the Government's proposed reform agenda. However, it should be recognised that not everyone in the superannuation industry will be in this position.
- Uncertainty around the MySuper component of the Stronger Super reforms is putting at risk the entire program. This largely stems from inconsistent messages from Treasury and APRA around the design of MySuper. We strongly suggest that APRA, Treasury and the ATO brief the Parliamentary Joint Committee on the detailed design of MySuper.

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- Once a unified approach to MySuper has been determined, we then suggest Treasury and APRA to clarify the detail of MySuper with the Industry, in particular the implications of legislation on Fund operations. This summit should occur no later than July 2012.
- Given we are almost 12 months out from a major milestone of 1 July 2013, and are yet to finalise the detail of either the legislation, rules and regulations, or required governance arrangements, serious considerations need to be given to the timetable of the reform. In particular the July 2013 implementation deadline.

I am happy to provide further information to support this analysis as required.

Regards

John McMurtrie

Chief Executive Officer

Australian Administration Services Pty Limited