

Question No 004
Topic Report 529
Committee Member Senator Bragg
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Question

Senator BRAGG: Thank you. My last, last question is about the report that ASIC has been doing for some years on employer fund choice. There was a report flagged in June 2017, *Report 529*, looking at the role of employers in super. It's about trying to identify inducements which were profiled during the royal commission into financial services. I was wondering whether this report was getting closer to being released, after the last few busy years?

Ms Press: I'm sorry; I will have to take that on notice as to whether or not the report is going to be updated. Obviously, there has been law reform around inducements, and we have been discussing with funds what those law reforms mean and have been overseeing that to ensure that they aren't breaching that new regulation.

Senator BRAGG: The 'Hostplus claw', I think we call it.

Answer

We understand the Senator is referring to the Employers and Superannuation Project, flagged in ASIC Report 529 (the Project).

ASIC decided not to release a public report on the Project primarily because the demands of other work forced the Superannuation team to narrow the Project's scope.

Rather than a public report, ASIC's findings from the Project have been communicated in different public avenues:

1. Submissions to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the Productivity Commission's Inquiry Report, *Superannuation: Assessing Efficiency and Competitiveness*;
2. Input into law reform concerning section 68A of the *Superannuation Industry (Supervision) Act 1993* (Cth);
3. The publication of Infosheet 241 (released 31 July 2019), reminding trustees that using improper inducements to influence employers in their choice of default fund is illegal; and
4. Information and messages provided to payroll providers, distributed in July 2019, through a number of payroll, transaction and business software industry groups and self-regulatory bodies.