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Royal Commission must focus on banking misconduct and not get distracted: AIST

The Australian Institute of Superannuation Trustees (AIST) has welcomed today's announcement of a Royal Commission into the alleged misconduct of the banking sector, but warned that broadening the scope to include superannuation was an unnecessary measure and a waste of taxpayer money.

AIST CEO Eva Scheerlinck said an inquiry into the banking sector was long overdue with many of our major banks plagued with a history of misconduct stemming from a system-wide culture of putting profits above customer interests.

"This inquiry has been brought on by the banks themselves. They have abused their social license and betrayed community trust which has resulting in a deluge of complaints from their own customers," Ms Scheerlinck said.

But Ms Scheerlinck strongly rejected the Government's move to include superannuation in the inquiry.

"It is disappointing that the Government is seeking to deflect from the real and systemic problems plaguing the big four banks, by including the superannuation system in this inquiry. Australia's super system is world class, and there is no evidence of gouging, fraud or unethical behaviour to warrant a Royal Commission into the industry," Ms Scheerlinck said.

"With only a twelve month window to complete the inquiry, the Commission will be hard pressed to meet its obligations under the terms of reference in any meaningful way," she added.

Ms Scheerlinck said the superannuation and life insurance sectors had been the subject of numerous government and independent inquiries in the past decade, resulting in a raft of reforms, many of which were still being implemented. Current ongoing inquiries include the Productivity Commission review, while a range of reviews are underway into insurance in superannuation.

Past inquiries involving superannuation include the Financial System Inquiry, the Ripoll Inquiry, the Cooper Review, the Henry Tax review, the Hockey Tax Inquiry, the Retirement Incomes Review, the Ramsey Review as well as numerous parliamentary inquiries.

AIST Media: Janet de Silva: 0448 000 499 | Sarah Goodwin: 0401769296

AIST CEO Eva Scheerlinck is available for interview.

AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.