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### Spotlight falls on executive remuneration in superannuation

AIST is pleased to see its recommendations for a fairer and more transparent disclosure regime on remuneration practices adopted in the MySuper Regulations registered in parliament late last week.

"While some not-for-profit funds have lead the way and have adopted best practice by disclosing remuneration and ensuring transparency around the operations of their boards and executive, there has been room for improvement elsewhere," said Eva Scheerlinck, Executive Manager of Governance at AIST.

"Not-for-profit funds already lead the industry in terms of long-term performance and member benefits, so naturally we support this next step in best-practice governance," she said.

The regulations will require disclosure of remuneration paid or provided to directors by a related entity. Where directors are not paid for their services from the fund, but rather from a related party such as a parent body, this reform will create an equal playing field in relation to what the public can access about different funds' remuneration practices.

"Trustee directors generally receive payment either from the fund or by another party that employs them, where part of their role is accepted as being a trustee director on the related super fund. No matter where the remuneration is paid from, it should be disclosed and we are pleased to see that this forms part of the new regulatory framework," says Ms Scheerlinck.

"In many cases, the remuneration paid from the fund is only tiny compared to the remuneration some directors receive as an employee of the trust's parent company," she said.

The required disclosure will need to accurately reflect the time committed by the trustee director to their obligations as part of the super fund board.

Where remuneration for directors is paid from the fund, funds will also need to disclose where the money is paid to, if it is not paid directly to the trustee director, but rather their employer or sponsoring body.

AIST represents 80 not-for-profit funds, which have over \$500 billion in funds under management.

#### Further media enquiries:

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***AIST is the peak industry body for the \$500 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.***