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AIST to provide comprehensive response to the Financial Systems Inquiry interim report

The Australian Institute of Superannuation Trustees (AIST) said today it would begin preparing a comprehensive response on key superannuation issues raised in the Financial System Inquiry's interim report.

AIST CEO Tom Garcia said AIST welcomed the Inquiry's support of a robust regulatory framework for superannuation, its recognition of superannuation's important role in the economy, and the need to develop clearer objectives for the superannuation system.

"We support the Inquiry's focus on the need for superannuation to serve members' best interests and it will be through this lens that AIST will be responding to the key superannuation policy options and observations raised in the report."

Mr Garcia acknowledged that the Inquiry panel was not releasing draft recommendations and instead called for more industry feedback on key questions around fees, disclosure, post-retirement, liquidity management and regulation. AIST would be consulting with its 60 plus member funds to respond to these questions, as well as some of the wider issues raised in the report such as the recent trend of greater vertical integration in the wealth management and superannuation sectors.

"The panel has raised very important questions about superannuation," Mr Garcia said. "These issues touch every Australian super fund member in some way or another so any significant structural changes need to be supported with hard evidence that they will lead to real improvements."

Mr Garcia said policy options in the report – including suggested mechanisms to lower fees and costs in superannuation – should be considered in the context of Australia's pension system being among the most highly regarded in the world.

"Whilst fees and costs are very important, at the end of the day, what matters most to members are net returns to ensure a healthy superannuation balance at retirement," said Mr Garcia.

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AIST is the peak industry body for the \$650 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.