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### APRA urged to shed light on fees charged by non-MySuper default funds

The Australian Institute of Superannuation Trustees (AIST) today called on APRA to prioritize disclosure of all fees paid on default superannuation accounts, not just those paid on MySuper products.

AIST Executive Manager, Policy and Research, David Haynes said recent APRA data had revealed that \$77 billion of default super savings remained outside the low-fee MySuper environment but the industry was still in the dark as to the fees charged on these savings.

“Until the industry has a better idea of the fees charged on these default accounts, we won’t be able to fully assess the extent they are inflating the level of fees paid by unsuspecting fund members,” Mr Haynes said.

Noting that the Financial System Inquiry (FSI) has raised concerns about fee levels in superannuation, AIST wants to bring forward the final transition date of 30 June 2017, at which all default super savings must be moved to a MySuper product. While recently released APRA data confirms that there are \$359 billion of savings currently in MySuper products, the lion’s share of this money is invested in good value, high performing not-for-profit funds. By contrast, just \$13 billion of savings in bank-owned and other retail funds has been transferred to the MySuper space.

Mr Haynes said while there was a wide range of fees and costs across the MySuper funds, the fees charged by non-MySuper default funds were likely to be significantly higher on average.

“In a compulsory super system such as ours, we don’t think it is fair that some members of default funds should have to wait nearly three more years to benefit from fee reductions,” Mr Haynes said.

#### Further media enquiries:

AIST Executive Manager Policy and Research: David Haynes: 0429 029 230

AIST Executive Media Manager Janet de Silva: 0448 000 499

***AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.***