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### **Government changes to super fund boards not supported by evidence - AIST**

The Government's proposed changes to the governance arrangements of not-for-profit boards announced today are not supported by any hard evidence, **the Australian Institute of Superannuation Trustees (AIST)** said today.

**AIST Tom Garcia** said while it was good to see that the Government had recognized the value and importance of the equal representation system, there was no evidence to suggest that forcing structural changes to the boards of not-for-profit super funds would benefit their members, who account for more than half of Australia's working population.

"Not-for-profit super funds have outperformed year in, year out for more than two decades," Mr Garcia said. "There is absolutely no evidence to suggest our governance model is broken or that forcing boards to include a mandated third of independent directors will benefit the members of our funds."

Mr Garcia said AIST supported not-for-profit funds having flexibility around the appointment of independent directors rather than a fixed quota system.

"The not-for-profit sector is not opposed to independent directors but we don't support the mandating of independence, particularly as it runs counter to international trends in best-practice governance," Mr Garcia said. "What matters most to members is getting the best directors for their board and we strongly believe that equal representation, together with flexibility around independence, delivers this".

Mr Garcia said academic research suggested that the equal representation model of governance –with its emphasis on putting members' interests above all others – had played a key role in the out-performance delivered by not-for-profit super funds.

According to the latest SuperRatings Fund Crediting Rate Survey all but one of the 20 top performing funds over the last decade were not-for-profit funds.

"The question that has to be asked is why does this Government feel the need to tinker with a model that has helped produce such impressive results?" Mr Garcia said. "There is a high level of risk in changing something that is already working extremely well".

#### **Further media enquiries:**

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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..***