

No evidence to support Government's superannuation governance changes

20 August 2015

The Australian Institute of Superannuation Trustees will continue to oppose unnecessary changes to the boards of not-for-profit superannuation funds.

AIST's CEO Tom Garcia said the Government's proposed changes – outlined in further detail today - were not supported by evidence to show they were warranted or that they would lead to better outcomes for members of not-for-profit funds.

“We question the need to mandate change to the boards of not-for-profit funds, particularly when these funds have such a strong track record of out-performance,” Mr Garcia said.

Mr Garcia said legal opinion sought by AIST supported its view that the proposed changes – which include giving the Australian Prudential Regulation Authority enhanced powers – were unnecessary and excessive.

The analysis – [by legal firm Hall & Wilcox](#) – notes that it is “difficult to identify existing gaps or areas where APRA does not already have significant powers to step in if it identifies an area of concern.”

The Hall & Wilcox analysis also notes that the proposal to remove equal representation from superannuation law would effectively remove the requirement for members and employers to have a voice in relation to the operation of their fund.

“In a compulsory super system, we think it is important that super fund members have a strong voice at board level,” Mr Garcia said. “The best performing super funds put members' interest above all other interests and it is this fundamental consumer protection measure that needs to remain enshrined in legislation”.

AIST supports the trustee representative model and a flexible, principles-based approach to the appointment of independent directors.

Further media enquiries: AIST Executive Manager Media 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.