

### Review of super a timely opportunity to put spotlight on high fees and underperformance

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The Productivity Commission Review of superannuation is a timely opportunity to put the spotlight on the high fees and the underperformance of some funds, particularly in the Choice environment, **the Australian Institute of Superannuation Trustees (AIST)** said today.

**AIST CEO Tom Garcia** said AIST would be emphasizing the need for a thorough review of fees and the opaque disclosure in the Choice sector, which had long been a drag on system efficiency.

“We need to recognise that improving super efficiency necessarily means a holistic review of the entire system,” Mr Garcia said. “We’ve seen fees reduce significantly in the MySuper environment but they have barely moved in the Choice environment.”

Mr Garcia said AIST would be urging the Government to prioritise the setting of super system objectives ahead of the PC review.

“The Government needs to get moving on the consultative process required to set objectives of the super system - as recommended by the Financial System Inquiry,” Mr Garcia said. “We question how the Productivity Commission can develop measures to assess the efficiency of the system, without any agreement on the objectives of superannuation – it’s putting the cart before the horse.”

Mr Garcia said AIST would be actively participating in the review of the default selection process to ensure its emphasis was squarely on protecting members’ best interests. However the industry remained concerned that the Fair Work Commission selection process had been allowed to stall.

“Given that the PC Review will not be completed until the next term of government, the Government needs to address the current hiatus on default fund selection and let the Fair Work Commission get on with the work it has been tasked to do by Parliament,” Mr Garcia said. “The more this process is stalled, the more uncertainty there is for super funds.”

**Further media enquiries: 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.***