

Superannuation reform package requires careful analysis: AIST

The Government's package of superannuation reforms announced today requires careful analysis to ensure there are no unintended consequences for members, the **Australian Institute of Superannuation Trustees (AIST)** said today.

AIST CEO Eva Scheerlinck said while some of the proposed reforms to improve transparency and accountability across the industry were welcome, other proposals needed industry input to ensure they were workable for funds and benefitted members.

The package of super reforms includes boosting APRA's regulatory powers, replacing the MySuper 'scale test' with an 'outcomes test' and requiring funds to introduce annual member meetings.

Ms Scheerlinck said AIST would be closely examining the proposal to introduce a broader 'outcomes test' to assess MySuper performance to ensure it did not take the focus away from net returns.

"What really matters most to members is the amount of super they have at retirement," Ms Scheerlinck said. "When assessing and comparing MySuper funds, the paramount factor must always be long-term net returns."

Commenting on the proposal to introduce annual member meetings, Ms Scheerlinck said AIST recognized the value of direct member contact with super fund boards and senior management.

"Providing a means for members to engage with the people managing their hard earned superannuation is a good way to identify those issues which are of most interest to members," Ms Scheerlinck said.

The Government has also called on APRA to make it easier for super fund members to opt-out of default life insurance.

"Default life insurance is a critical component of superannuation and is often the only insurance that members have," said Ms Scheerlinck. "While we welcome moves to simplify the opt-out process, there is a significant need to educate the public about the benefits and importance of insurance."

In the coming weeks, AIST will be consulting closely with its membership to finalise its submission on the reform package.

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AIST is the peak industry body for the \$700 billion profit-to-member super sector which includes industry, corporate and public sector funds.