

Regulator guidance on conflicts of interest in the super industry welcomed: AIST

The Australian Institute of Superannuation Trustees (AIST) - the peak representative body for the \$450 billion not-for-profit superannuation industry - today welcomed moves by the Australian Prudential Regulation Authority (APRA) to produce a 'conflict of interest' guide for superannuation funds.

AIST's Chief Executive Officer, Fiona Reynolds, said there was now mounting evidence –including research* released this month by AIST - that the different way trustees were appointed and held accountable could make significant differences to the way they carried out their responsibilities.

"Furthermore, such conflicts of interest appear to be having a detrimental impact on fund returns," said Reynolds.

"With the scrutiny being directed to super funds in the wake of the global financial crisis, achieving best practice in managing and monitoring conflicts of interest is essential to maintaining public trust in the super industry," added Reynolds.

AIST will be consulting with its members (industry, corporate and public-sector funds) on the draft guide with the view to providing APRA with feedback ahead of the 30 April deadline.

*Governance and Performance in the Australian Occupational Superannuation Industry, Mike Rafferty et al, The University of Sydney, March 2009.

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AIST is the peak industry body for the \$450 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly 2/3 of the Australian workforce.

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