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MySuper applications pave way for new era of cost-effective super for all

The opening of the MySuper super fund application process this week marks the beginning of a new era of cost-effective, commission-free super, **the Australian Institute of Superannuation Trustees (AIST)** – the peak body for the \$500 billion not-for-profit super sector – said today.

AIST's executive policy manager, Tom Garcia, said MySuper would ensure that all Australians had access to cost-effective super while also making it easier to compare fees, charges and performance.

Mr Garcia said AIST expected most not-for-profit funds would lodge their MySuper application in the first two months of the year in order to be well-positioned for the July 1 2013 start date, which coincided with the commencement of the phased increase rise in universal super from 9 to 12 per cent over a six year period.

“Though technically all super funds have until 1 January 2014 to launch their MySuper products, the signs are there that MySuper will create a very competitive environment so most funds will want to get to the starting blocks as soon as possible,” Mr Garcia said.

Mr Garcia said it was pleasing to see that APRA had already received applications from AIST member funds.

While most not-for-profit funds already offered low-cost commission-free super, Mr Garcia said transitioning to MySuper presented many challenges.

“One of the big challenges for funds will be to determine ways to differentiate their offerings, promote their brand and communicate to their members and employers,” Mr Garcia said.

Other key challenges would be meeting new regulatory requirements, transforming the back-office for the implementation of both MySuper and SuperStream, and ensuring service providers were fully prepared for the new regime.

Mr Garcia said AIST was looking forward to passage of the final tranche of MySuper legislation in early 2013.

“There are a small number of technical but significant amendments still being sought, particularly regarding trustee obligations and the online product dashboard, and this fourth tranche represents a great opportunity to iron out any remaining issues,” he said.

Further media enquiries:

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AIST is the peak industry body for the \$500 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.