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MySuper paves the way for low-cost super for all Australians and bigger nest eggs

The Australian Institute of Superannuation Trustees (AIST) – the peak representative body for the \$450 billion not-for-profit super sector - today welcomed the Gillard Government's MySuper reforms, which aim to ensure all working Australians have access to low-cost, commission-free default superannuation and retire with a bigger nest egg.

AIST CEO Fiona Reynolds said the new reforms made it much more affordable and workable for super funds of all shapes and sizes to offer MySuper products, while at the same time recognised that 'choice' still had an important role to play in the compulsory super system.

"With the Government intending to lift the Super Guarantee to 12%, it's more important than ever that all Australians have access to low-cost, world's best practice, default super, which is what MySuper aims to deliver," said Ms Reynolds.

"Importantly, MySuper is not just about super for the 'disengaged'. Arguably it will also deliver super for the 'thinking' man or woman who values the certainty of knowing that their retirement nest egg is being managed properly and protected from rip-off fees and hidden charges".

Ms Reynolds said the Government was to be congratulated for addressing earlier industry concerns about the MySuper model recommended by the Cooper Review. She predicted that with the added flexibility of the Government's MySuper model most not-for-profit funds - which already delivered low-cost, commission-free super - would apply for MySuper licenses.

"We are pleased that the Government has recognized that key features of the MySuper model (such as post-retirement products) should be optional rather than mandatory," said Ms Reynolds.

Ms Reynolds also welcomed the move to allow greater use of the tax file number in the super system and said AIST looked forward to continuing its engagement with the Government to ensure workable solutions were found for the implementation of the other SuperStream recommendations.

"Greater use of the tax-file number throughout the superannuation chain is a vital step in improving system efficiency," Ms

Reynolds said. "It's the silver bullet in terms of eradicating the \$13 billion 'lost' super problem."

In an AIST Newspoll conducted in June this year, an overwhelming majority of working Australians – 73% of workers surveyed – supported the planned gradual rise in the 9% Super

Guarantee to 12%. 76% of respondents in the same poll were in also in favour of the low-income super rebate.

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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.