

Date Thursday June 9th, 2011

Shorter Product Disclosure Statements will improve super engagement

The Australian Institute of Superannuation Trustees (AIST) welcomes today's announcement by the Government of a new Product Disclosure Statement (PDS) regime that will lead to significantly shorter and more user-friendly statements for super fund members.

Under the new regime - which will be mandatory for super funds from 22 June 2012 with optional transitional arrangements from 22 June, this year - superannuation PDSs must be eight pages in length, and meet new content requirements that have been redesigned following consumer testing.

AIST CEO Fiona Reynolds said shorter-form PDSs were a welcome move provided they were in Plain English and contained the necessary information to inform members.

"We know that most people don't read their PDSs and that these documents can be ridiculously long and confusing. So any move towards short, simple and user-friendly PDSs is a significant step forward in improving consumer engagement with super."

Ms Reynolds noted that draft regulations would be available shortly for comment and that AIST looked forward to consulting further to fully examine the details of the new regime and ensure that the smaller PDSs contained all the necessary information.

Ms Reynolds predicted that the most funds would embrace the new regime as it would save costs and be good for the environment.

"Given that there are a number of funds who are well-advanced with their work on smaller PDSs, we would expect these funds to adopt the new regime as soon as possible," she added.

AIST looks forward to consulting further to ensure that the smaller PDSs are easy-to-read, are written in plain English and contain all the necessary information."

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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 two-thirds of the Australian workforce.