

17 June 2021

## Passage of Your Future Your Super legislation will create more harm than good

The passage through Parliament today of the Government's Your Future Your Super legislation will cause more consumer harm than good and not deliver on its objectives, **the Australian Institute of Superannuation Trustees (AIST)** warned today.

**AIST CEO Eva Scheerlinck** said that while AIST supported the objectives of the legislation, the package suffered from fatal flaws that will result in significant unintended member detriment.

A key concern of AIST's is that more than one third of super savings will not be subject to the performance test, leaving millions of Australians stapled to underperforming and untested funds. O

"AIST remains deeply concerned that these legislative carve outs provide incentives to unscrupulous providers to push high fee, under-performing products onto unsuspecting consumers. Many Australians could remain stapled to dud products for life and be none the wiser as their super fund won't be subject to performance testing," Ms Scheerlinck said.

Even where products are subject to performance testing, AIST has concerns that the legislative package is too heavily reliant on consumer disclosure to address underperformance. AIST had called for underperforming funds to be weeded out of the system before any stapling began.

Ms Scheerlinck said addressing underperformance in superannuation was a job for the regulator, noting that ASIC itself had recently conceded that disclosure had failed consumers when complex financial products were involved.

"Expecting all members in an underperforming fund to respond to a letter and take appropriate action places a huge burden on individuals to 'fix' their super. While some may respond, many will not, in particular vulnerable Australians, leaving them languishing and stapled to an underperforming fund, compounding disadvantage and reducing their retirement balances. This legislation should have ensured they could not be stapled to a 'dud' fund."

**Media enquiries: AIST Senior Media Manager, Janet de Silva 0448 000 499**

*AIST is the peak body for the \$1.5 trillion profit-to-member superannuation sector which includes industry, corporate and public sector funds*

AIST  
Level 23, 150 Lonsdale Street  
Melbourne VIC 3000  
T 03 8677 3800  
E [info@aist.asn.au](mailto:info@aist.asn.au)  
W [www.aist.asn.au](http://www.aist.asn.au)