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Regulations confirm millions of Australians remain at risk of being stapled to underperforming and untested super funds

Millions of Australians remain at risk of poor retirement outcomes if the Government's *Your Future Your Super* legislation goes ahead, **the Australian Institute of Superannuation Trustees (AIST)** said today.

Commenting on the long-awaited release today of regulations related to the legislation which was introduced to Parliament over 10 weeks ago, **AIST CEO Eva Scheerlinck** said the regulations confirmed serious concerns about key measures in the Bill that would staple millions of Australians to dud funds.

"While we welcome the shift on more appropriate benchmarks and administration fees in the performance measures, the regulations unfortunately confirm widespread carve-outs to performance testing, including for the worst performing super products."

At least one third of member superannuation savings regulated by the Australian Prudential Regulation Authority – including those in products identified by the Productivity Commission as worst performing - will not be subject to performance testing. In addition, any new MySuper products will not be subject to performance testing for the first five years.

"Crucially, some of the worst performing superannuation products have been carved out of performance testing, putting consumers at risk of being stapled to a dud fund for life which will actually reduce retirement outcomes," Ms Scheerlinck said.

The regulations also fail to address concerns about a controversial measure that would allow the government to ban super funds from investing in certain assets, even where the investment is in members' best financial interests.

"The regulations are silent on one of the most controversial measures in the Bill – the standing power for any Government to ban any investment, even if it is in members' best financial interests. This will create needless uncertainty that could constrain the ability of funds to invest for the long term and put members' retirement outcomes at risk."

AIST is also concerned the Senate Committee examining the legislation will not have time to consider the regulations as its report is due tomorrow. AIST is urging the committee to reject the Bill, arguing that an entirely new approach is needed so that the Government can actually achieve the worthy objective (which AIST fully supports) of addressing superannuation underperformance and multiple accounts. The Bill will not do this.

“The regulations released today have done nothing to change the fact that it is a poorly drafted piece of legislation that will deliver more consumer harm than good if passed in its current form.”

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