

REVIEW INTO THE GOVERNANCE, EFFICIENCY, STRUCTURE AND OPERATION OF AUSTRALIA'S SUPERANNUATION SYSTEM

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Super System Review releases latest preliminary report: *MySuper* A super option designed just for members

The Super System Review today released *MySuper: Optimising Australian superannuation*. This preliminary report provides more detail on the choice architecture outlined by the Review Panel in its Phase One preliminary report *Clearer Super Solutions* released late last year. 'MySuper' is the new name for the universal fund concept proposed in that report.

Review Chair, Jeremy Cooper, said: "MySuper would be a simple, cost-effective product that redefines what Australians should be able to expect from their super in the twenty-first century."

Some of the proposed features of MySuper include:

- A ban on trailing commissions;
- No contribution fees;
- A new duty on trustees to manage the overall cost to members;
- A default post-retirement product;
- Trustee duties focused entirely on looking after the member.

An independent report commissioned from Deloitte by the Review shows that if the MySuper proposals were introduced, some default fund members could expect to pay less than half what they are paying for their super now.

The Panel emphasises that, if the MySuper proposals were implemented, those Australians who elect to have a fund that offers more choices and options, or want to manage their own super in a self-managed super fund (SMSF), would be entirely free to do so. MySuper would be just one offering in the super landscape. However, it is

probable that a number of MySuper features – such as the trailing commission ban – will also be recommended to apply across the board.

Background

The Review has completed consultation in three phases: Governance; Operation and Efficiency; and Structure (including SMSFs), and has received over 470 submissions.

The Review has issued two preliminary reports:

- *Clearer Super Solutions: Matching Governance Solutions* on 14 December 2009; and
- *SuperStream: Bringing the back office of super into the 21st century* on 22 March 2010.

The final report (encompassing all three phases) will be delivered to the Government by 30 June 2010.

More information

More information on the Super System Review including is available at www.supersystemreview.gov.au. Alternatively, call the Super System Review infoline on 1800 425 139.