



Media Release

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Super fund underperformance test ready to deliver for consumers

Now that the test has been amended to capture admin fees, it is ready to make its debut on 1 July 2021.

Super Consumers Australia welcomes today's announcement that fund admin fees will be included in the Government's underperformance test for superannuation funds and that unlisted asset benchmarks will be more accurate.

"The underperformance test is now ready to roll out for 1 July 2021. The most relevant outcome for people is how substantial their savings are in retirement. Admin fees are one of the biggest drains on people's retirement savings, so we strongly welcome their inclusion in the test. Treasury modelling shows including admin fees will turn up the heat on even more funds, in a move that is likely to drive fast improvements to the super savings of a million more people," says Xavier O'Halloran, Director, Super Consumers Australia.

"These reforms will significantly boost the outcomes for consumers, but there remains work to be done on the Your Future, Your Super package. Currently, not all investment options face scrutiny, this needs to change and be enshrined in legislation. It also gives wide discretion to the Minister of the day to ban investments. We think scrutiny is a good idea, but we'd be better served by a regulator following a clear process. In the interests of transparency and probity, we recommend that APRA and ASIC jointly exercise this discretionary power under a similar regime to other financial products they regulate."

The Senate Economics Legislation Committee is expected to release its report on the reforms tomorrow.

"Predictably, the industry has used scare tactics to sink the reforms altogether rather than offer constructive feedback. It's time for funds to put members first and stop trying to delay reforms. Funds have been on notice for many years that they need to drop fees and lift performance and



have nearly had a year to prepare for this test. If funds aren't ready, they aren't doing right by their members.”

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Super Consumers Australia’s submission to the Senate Economics Legislation Committee inquiry is available [here](#).

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