

21 September 2011

BT FINANCIAL GROUP RESPONDS TO GOVERNMENT'S *STRONGER SUPER* REFORMS

BT Financial Group, one of Australia's largest superannuation providers, says the flexibility the Government has included in its *Stronger Super* announcement will provide a solid foundation for the future of retirement savings in Australia.

BT Financial Group's Head of Superannuation & Platforms, Melanie Evans, said the Cooper Review findings announced last year recommended a framework that may have led to a "one-size fits all" approach to superannuation.

"The Government's announcement today has recognised the need for flexibility in super. In a compulsory system which at its core should be tasked with maximising the retirement savings of every Australian worker, it's imperative there are a range of solutions to meet a wide range of needs.

"Superannuation is currently \$1.3 trillion and is expected to more than double to \$3 trillion by 2020. With those numbers, it's essential we get these far-reaching reforms right. After a number of reviews and a lengthy and deep consultation process between industry and Government, we're pleased there is clarity about the future of Australia's superannuation system."

Simple and efficient system

BT Financial Group has long advocated for a system that is easier for Australians to understand and engage with.

"Our view has always been that the simpler the system, the more likely Australians are to take an active interest in their retirement savings. We've also invested a lot in helping Australians find their lost super and consolidating their accounts.

"Too many Australian lose tens of thousands of dollars over a life time in unnecessary fees and charges through having multiple accounts. Anything that can be done to make this less likely will have an immediate and positive impact on the average working Australian's super balance," Ms Evans said.

"We also welcome the Government's acknowledgement that employees of organisations which transition to an electronic and low-cost way of administering super contributions will benefit from lower admin fees."

Investment for life stages

Ms Evans said the Government's announcement reflected the responsibility of funds to appropriately manage investment risk over a member's lifetime.

BT Financial Group

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Media release

“It’s not appropriate for any Australian to have the same asset allocation and risk profile from the time they enter the workforce to the time they leave it. That’s why we have life stage funds as the default in BT Super for Life.

“We’ve long been advocates for life stage investing and in recent times have noted the increased interest of investors in our life stage funds.”

Governance

Ms Evans said the Government’s focus on governance was particularly reassuring.

“We support the move of clearly setting out the duties and obligations of trustees. Superannuation is a fundamental part of the Australian economy and governance is a fundamental way to protect consumers. Improvements to governance are critical to the ongoing confidence of Australians in their superannuation.

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