

Media Release

BT WELCOMES SUPERSTREAM

Monday, 22 March 2010

Brad Cooper, Chief Executive of BT Financial Group, today welcomed the Cooper Review's SuperStream recommendations and said, if implemented, they would bring about the single biggest improvement to Australians' retirement savings since the Superannuation Guarantee was introduced.

"Compulsory superannuation has done its job in meeting the minimum needs of Australians in retirement however now's the time to step up and tackle the task of helping people take ownership and grow their retirement savings," Mr Cooper said.

"We now have a significant opportunity to overhaul the way people deal with their super, to make it easy for them and ultimately, to increase their retirement savings."

BT's submission to the Cooper Review highlighted the industry's opportunity to cut operational costs by up to 25 per cent, reduce cheques and paperwork delays by using electronic systems, mandate one set of data standards and use tax file numbers to make lost super transparent.

As well, BT recommended a simpler rollover process - that would take the member a matter of minutes - which allows the trustee to consolidate super accounts upon a member's request.

"These recommendations mean we can take a lot of the super system's archaic back-end processes out of the dark ages," Mr Cooper said.

"If implemented, they would strip unnecessary costs from the super system, dramatically simplify rollovers and help solve the income shortfall most Australians will face in retirement."

Mr Cooper said he hoped for speedy implementation of these recommendations so the industry can sharpen its focus on increasing the retirement savings of working Australians.

"While Australia's superannuation system has weathered the most exceptional financial crisis of our time and fostered an innovative industry which is a leader globally, quick and dramatic changes are needed if we want to have a sustainable system over the coming decades," he said.

"Despite our collective successes, our industry infrastructure is essentially broken and the opportunity to deliver real change as result of this reform process should not be underestimated."

ends

NOTES: BT's recommendations to Phase 2 of the Super System Review (submitted 14 December 2009):

Removing at least 25 per cent of operational costs

1. Mandate electronic transactions and common industry data standards

2. Use Tax File Numbers to make lost super transparent
3. Introduce legislation, tax changes and incentives which would facilitate fund consolidation

Making cost effective advice accessible to all Australians

4. Legislate for unbundling of advice fees in line with IFSA's Super Charter
5. Extend the ASIC Class Order relief for Intra-Fund Advice to Financial Advisers and make superannuation advice tax deductible

Streamlining superannuation choice

6. Allow trustees to consolidate upon members' request
7. Once systemic issues are addressed, launch a Government sponsored education programme
8. Introduce PDS standards; legislate to allow for interactive web-based disclosure of product disclosure statements
9. Mandate use of SPIN number and SPIN register when a fund is nominated for choice

To read the entire submission, visit www.btfq.com.au/mediareleases

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About BTFG

BT Financial Group (BTFG) is the wealth management arm of the Westpac Group which, following the Westpac and St.George merger in late 2008, also includes the wealth division of St.George bank. The result is BTFG - a strong stable of market leading brands and capabilities. Today, the brands within BTFG provide our customers with a full spectrum of wealth services. These include investment, superannuation and retirement income products, investment platforms, financial advice, private banking and insurance solutions. BTFG is the largest administrator of superannuation, retirement and investments in Australia with more than \$90 billion in total investments (*funds under administration as at 30 June 2009*).