

BT supports Productivity Commission's key recommendations into superannuation industry

7 June 2018 – BT Financial Group (BT) today announced it supports a number of key draft recommendations in the Productivity Commission's (PC) report into the \$2.6 trillion superannuation industry which, if implemented, would save consumers \$3.9 billion each year.

While detailed design work is yet to be done, BT supports the PC's key draft recommendation that the Government establish an expert panel to select the 10 'best in show' funds to help guide consumer choice and that this panel should sit outside of the industrial system.

BT also supports the measure to ensure consumers default once, and then take that fund with them between jobs until they choose otherwise, as well as Government reforms to facilitate fund mergers to address small and underperforming funds that should no longer be in the market.

Brad Cooper, CEO of BT, said the PC's two year examination of the superannuation system is arguably the most in-depth and evidence-based assessment of the system since its inception.

"Until now, BT has supported an 'open market' model in which any APRA-approved MySuper product was free to compete for default status as opposed to one where an independent body, potentially susceptible to political influence, is responsible for selecting a shortlist.

The PC's report, however, provides compelling analysis and has led BT to conclude that a different model is necessary to protect consumers from account duplication, underperforming funds and balance erosion.

Clearly a lot of important detailed design work remains to be done. Nevertheless, we recognise that the report presents a unique opportunity for both sides of politics to agree a bipartisan model.

Overall, we believe these recommendations are in the best interests of consumers. As the custodians of Australians' retirement savings, all superannuation funds now need to step up to meet the challenge posed by the PC to help create an even stronger system.

Any superannuation fund that believes it performs strongly, is well governed and delivers good member outcomes should embrace competition, and by extension, the PC's proposals.

Embracing these changes brings the opportunity to significantly lift retirement incomes for Australians," he said.

For more visit: <https://www.westpac.com.au/news/in-depth/2018/06/pc-report-super-chance-not-to-waste/>

Media contacts: Sharon Rockell M: 0420 598 994 / Noelle Waugh M: 0466 017 594

