



19 March 2019

[REDACTED]
Senior Analyst
Australian Securities and Investments Commission (ASIC)

Dear Mr [REDACTED]

Re: Superannuation Consumers Centre - report to ASIC

The Superannuation Consumers Centre (SCC) again thanks ASIC for facilitating funding for the SCC through two Community Benefit Payments.

This letter and attachments outline what the SCC has achieved to date, the challenges faced, mitigation strategies and risks to flag with ASIC (as requested in letters dated 8 August 2018).

We will provide our next activity report on or before 8 August 2019 unless otherwise requested by ASIC. This will include more detailed financial reporting for the 2018-19 financial year.

Progress made

Our letter in December 2017 initially outlined the capacity of the Superannuation Consumers' Centre to administer community benefit payments (your ref 15-20116). We specified how the SCC would partner with CHOICE to deliver a program of research, advocacy and information activities.

We have established operations and are proud to note the following progress:

- Appointment of a professional company secretary to support the voluntary SCC board in August 2018.
- A secondment arrangement with CHOICE to allow for advocacy activity to commence from August 2018. This secondment has resulted in numerous submissions, case study collections and the beginning of stakeholder engagement in the superannuation sector.
- Strategic planning with the support of Tractor Consulting, resulting in a three-year strategy, an immediate business plan, proposal for a partnership with CHOICE, budget and position descriptions for staff to deliver this work (the strategy and business plan are attached as confidential documents).
- The strategic planning process also involved deep conversations with stakeholders across the not-for-profit, research and regulatory sectors. We have used this to shape our plans to draw data and case studies from multiple sources.
- A signed Memorandum of Understanding with CHOICE in January 2019 to confirm a three-year partnership to deliver research, advocacy and investigative journalism activities.



- The first permanent staff member appointed by CHOICE to SCC activities (Head of Campaigns & Advocacy), with two further appointments expected in the coming weeks.
- Commissioned branding advice to help with visual and written communications.

The table below outlines our progress against outcomes proposed in our December 2017 letter.

RESEARCH (originally estimated 20% of our work)		
Outcomes	Measures of success	Progress against outcome
<p>Consumer opinions and engagement with superannuation are better understood by industry, regulators and policy makers</p>	<p>Policy makers and regulators refer to Centre research as a source of valuable data</p> <p>Surveys demonstrate increased awareness of and engagement with superannuation products over the course of the project</p>	<p>We have created a research and data analyst position. We are in the late stages of recruitment and hope to have a new staff member in place by end of March.</p> <p>Research planning will commence in April 2019.</p>

Advocacy (originally estimated 60% of our work)

Outcomes	Measures of success	Progress against outcome
<p>The views of consumers (especially vulnerable and low-income consumers) influence policy and regulatory action</p>	<p>The SCC is treated as a major stakeholder, as demonstrated by speaking engagements and invitations to represent the interests of consumers in inquiries and consultations.</p> <p>The SCC's public contribution to national conversations is recognised through references to the Centre's work in reports of inquiries and reviews.</p>	<p>Submissions</p> <p>Royal Commission: Our submissions were referenced in the final report of the Financial Services Royal Commission. We made two major submissions - Superannuation round and insurance round.</p> <p>Treasury: We made a submission to the Treasury consultation reviewing the early release of superannuation benefits. We also made a submission on the proposed regulations governing the 'Protecting Your Super Package' reforms.</p> <p>Other contributions to stakeholder processes</p> <p>Two meetings of the <i>Consumer group roundtable</i> with industry funds - a group to share, collaborate and discuss superannuation policy among consumer groups and industry funds.</p> <p>One meeting of the ASIC/SCC Liaison group</p> <p>Two meetings of the <i>Retirement Income Forum</i> - organised by Council of the Ageing, this cross-industry and consumer group shares, discusses and collaborates on superannuation and retirement income policy.</p> <p>We have met on multiple occasions with the Treasurer's office, Assistant Treasurer. We have also met on multiple occasions with the Shadow Treasurer's Office and the Shadow Assistant Treasurer. These discussions have focused on consumer concerns in relation to responses to legislation before Parliament and recommendations stemming from the Royal Commission and Productivity Commission.</p>



<p>Reforms to super are increasingly driven by the interests of members</p>	<p>Large numbers of consumers provide case studies of individual experiences of common problems in the system*</p> <p>New policy or regulatory action commences on issues identified in the Centre's work.</p>	<p>Over 3,000 case studies about consumer experiences with the financial system, collected in partnership with CHOICE, informed our submissions to the Financial Services Royal Commission.</p> <p>This led to the Royal Commission adopting 20 of our superannuation and group life insurance related recommendations in all or part.</p> <p>We have also used these cases to get public attention on the problems impacting consumers and help build the case for reform. For example, a case study we placed with News.com.au to garner support for legislation designed to deal with the problem of duplicate accounts, high fees and inappropriate insurance.</p> <p>Based on our discussions with community legal services and not-for-profits like First Nations Foundation, we plan to establish a practice group and information sharing platform. These will be facilitated by staff on SCC projects to collect case studies and insights from lawyers, financial counsellors and other experts working on superannuation issues. This will be set up by mid-2019 by the Policy and Communications Assistant, a position to be filled by end of March.</p>
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Information (originally estimated 20% of work)

Outcomes	Measures of success	Progress against outcome
Consumers have independent and clear information about common problems with superannuation	<p>Number of unique visitors and page views to Centre pages*</p> <p>User satisfaction ratings for visitors to Centre pages</p>	We are in the process of hiring an investigative journalist that will create content to answer common questions people have about superannuation, present information about products (where research is available) and investigate systemic issues in the sector.
Consumers have improved access to digital tools that help them to make decisions in their best interests	<p>Volume of online traffic referred from Centre pages to recommended external sources*</p> <p>Number of users of new digital tools</p>	With lower levels of funding, we have deemed some of this activity out of scope in the short term. We may develop additional digital tools in years two-three of the project, depending on priorities.

Challenges faced since August 2018 and mitigation strategies

The largest challenge the SCC has faced is the time needed for proper set-up and planning to deliver on our ambitious goals. The partnership with CHOICE allowed for immediate activity on advocacy but further work was needed to set strategic priorities and plan work.

We believe it was right to take several months to settle on a full strategic plan, budget and detailed agreement with CHOICE. This ultimately means that funding provided will deliver



greater impact. However, it is unlikely that the SCC will be able to spend all funds in the two-year timeframe originally proposed by ASIC.

We're addressing these challenges by recruiting for staff as rapidly as possible in the past month. We'll be reassessing the budget throughout the project and look to increase activity in year two.

The other challenge has been the capacity to deliver on all outcomes proposed to ASIC with the funding provided. Our initial proposal was for \$2.758 million to deliver these activities. We received a total of \$2.5 million through two community benefit payments. With the change in funding amount, we have reassessed our initial plan, reducing the information activities. We will still provide clear information to people, largely through activities from the investigative journalist and comment in the media where relevant. However, it is unlikely that we will have the capacity to build new digital tools as part of this project.

Risks

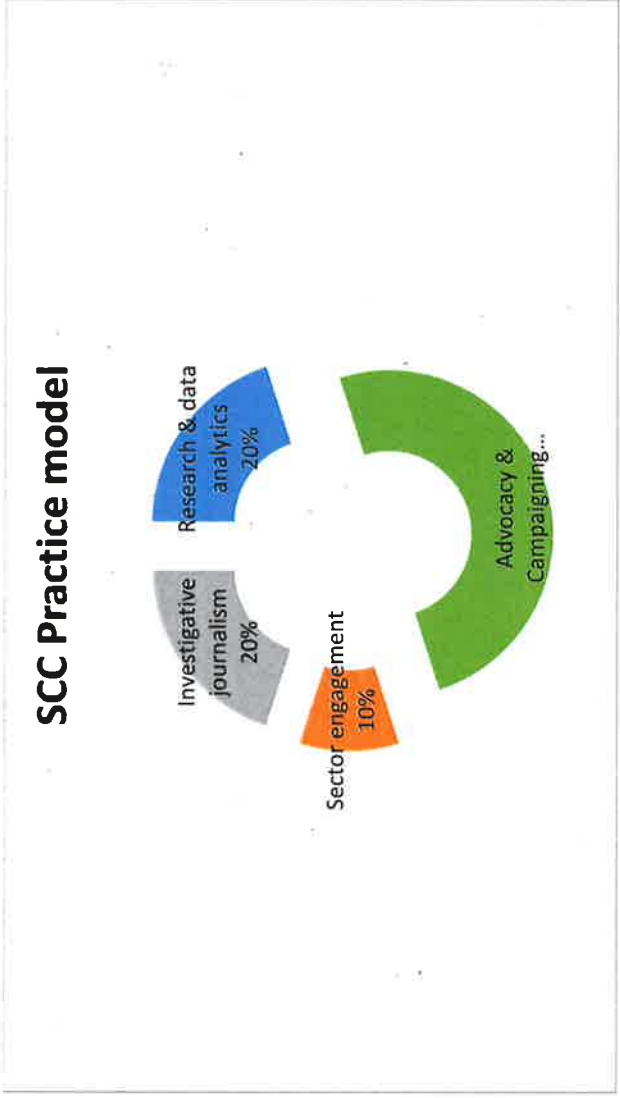
At this stage, other than the timing challenge outlined above, there are no major risks to note.

Please let me know if I can provide any further information about the activities of the SCC or upcoming plans.

Kind regards,

Rod Stowe,
Chair - Superannuation Consumers Centre

Superannuation Consumers' Centre Business Plan 2018-19
 Strategic Priorities 2018-2021



Three-year focus - Establishing the SCC as a leading consumer voice in superannuation by:

Advocating	Engaging	Shining a light	Adding new insights
<p>We will work independently and with others to advocate the consumer interest and help create a fairer superannuation system for low and middle income Australians.</p> <p>Where important data is missing, underutilised or hidden we will advocate for its provision</p>	<p>We will work with our sector to maximise the impact of our collective work.</p> <p>We will work with consumers to ensure that people's experience of the system is amplified.</p>	<p>We will find, investigate and tell powerful stories that shine a light on issues, are based on strong evidence and inspire change.</p> <p>We will provide an independent source of information about products.</p>	<p>We will undertake novel research and analyse available data to add new insights about superannuation.</p>

Activity Area	Performance Activity	Measurement/Reporting ¹
Advocacy	1.1 Recruit appropriate staff	Staff are recruited. Performance is satisfactory or better
	1.2 Identification of emerging issues (key priority 4)	Six-monthly narrative Report
	1.3 Policy, legislative and industry dialogue (key priorities 1-3)	<ul style="list-style-type: none"> • # submissions • # meetings/engagements by priority issue
	1.4 Regulatory dialogue (key priorities 1-3)	<ul style="list-style-type: none"> • # submissions • # meetings/engagements by priority issue
	1.5 Campaigning and advocacy (key priorities 1-3)	Six-monthly narrative report Develop 2 consumer facing campaigns
	1.6 Media activity (key priorities 1-4)	Promotion strategies are developed and implemented for research outputs
	1.7 Impact measurement (key priorities 1-3)	50 x medium impact content ² 15 x high impact content
Engagement	2.1 Establish practice group (key priorities 1-4)	Identify and track impact or evaluation measures for key advocacy work. Practice group is established # instances of information exchange # case insights # utilisation of information gathered
	2.2 Establish information sharing platform (key priorities 1-4)	# posts to platform # case insights # utilisation of information gathered Report on sector partnerships, including expert forums
	2.3 Collaboration in advocacy and campaigns	<ul style="list-style-type: none"> • Project outline • Partner/s • Activities/Outcomes
	2.4 Coordinate development of portal for gathering consumer stories (key priorities 1-4)	Report on key instances of support to sectoral colleagues <ul style="list-style-type: none"> • # submissions/other work supported • # instances of PD/ outreach Portal is developed # posts to platform # consumer insights # utilisation of information gathered
Shining a light	3.1 Recruit appropriate staff	Staff are recruited. Performance is satisfactory or better
	3.2 Plan activities in accordance with key priority issues	Plan is developed

¹ It is not expected that all measures will be adopted/tracked. Rather they are included to give suggestions as to the sort of measures that can help drive focus on the key activities and priorities identified in the strategy.

² Low-impact content is deliberately not measured to help drive focus on pro-active higher impact work.

Activity Area	Performance Activity	Measurement/Reporting ¹
	3.3 Identification of systemic & emerging issues (key priority 4)	Narrative Report
	3.4 Investigative journalism (key priorities 1-4)	# product comparison pieces # medium impact content pieces # high impact content pieces
	3.5 Work with other SCC staff to ensure journalism is informed by other activity areas	Staff survey # instances of cross-activity collaboration
Adding new insights	4.1 Recruit appropriate staff	Staff are recruited. Performance is satisfactory or better
	4.2 Develop process for research prioritisation and identification of partners (where appropriate)	Process is developed Process is implemented
	4.3 Undertake research	# snapshots or insight reports published (suggest 6 in first year) # key research reports published (suggest 2 in first year)
	4.4 Undertake data analysis	Update report on ongoing/longer term research projects # snapshots or insight reports published
	4.5 Coordinate external research & data analysis	Develop protocol for working with and/or accepting in kind services from third parties, including circumstances in which collaboration or acceptance of in kind services will be inappropriate.
	4.6 Work with other SCC staff to ensure insights are informed by and inform other priority areas	Staff survey # instances of cross-activity collaboration

In prioritising, coordinating and undertaking the work of the SCC, staff should bear in mind the purpose and values of the organisation as well as its 'tone of voice.'

The Super Centre Strategy

Purpose

To advance and protect the interests of low and middle income people in the Australian superannuation system

Strategy statement

By 2021, we will be recognised as a leading source of insights and advocacy about the superannuation system in the interests of low and middle income Australians

Strategies

Establishing ourselves as a leading consumer voice in superannuation through:

- **Advocating** the consumer interest in a fairer system
- **Engaging** with our sector to maximise the impact of our collective work and ensure people's experience of the system is amplified
- **Shining a light** on issues by telling powerful stories based on strong evidence
- **Adding new insights** through research and analysis

Vision

A superannuation system that is fair and inclusive and meets the needs of low and middle income Australians

Values

- Independent
- Courageous
- Proactive
- Expert
- Trustworthy
- Practical

Key Priorities & Objectives

- 1. Better fund performance:**
 - Calling out bad products & fund performance
 - Transparent, comparable and better value fees and charges*
 - Fair cost and scope of insurance
 - Implementing Productivity Commission & Royal Commission recommendations
- 2. Multiple accounts:**
 - Reduce incidence of multiple accounts
 - Take up of helpful legislation
- 3. Default insurance that better meets consumer needs:**
 - Shine a light on poor claims handling practices
 - Undertake product comparison
 - Contribute to improvement of policy definitions
 - Help sector develop a unified position
- 4. Emerging issues**

* Broader issues relating to insurance eg scope and equity, will be dealt with under 3 however there is overlap.