



8 August 2019

Senior Analyst
Australian Securities and Investments Commission (ASIC)

RE: Superannuation Consumers Centre community benefit payments - report to ASIC

This letter and attachments outline what Superannuation Consumers Centre has achieved over the 20/3/2019 to 8/8/2019 reporting period, the challenges faced, mitigation strategies and risks to flag with ASIC (as requested in letters dated 8 August 2018).

Note, that this period included a branding exercise. The Superannuation Consumers Centre is now trading as Super Consumers Australia. The report reflects this new branding.

We will provide our next activity report on or before 8 February 2020 unless otherwise requested by ASIC. This will include audited financial statements for the 2018-19 financial year.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Xavier O'Halloran".

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Super
Consumers
Australia

Activity update

March 20 – August 8 2019

Our goals

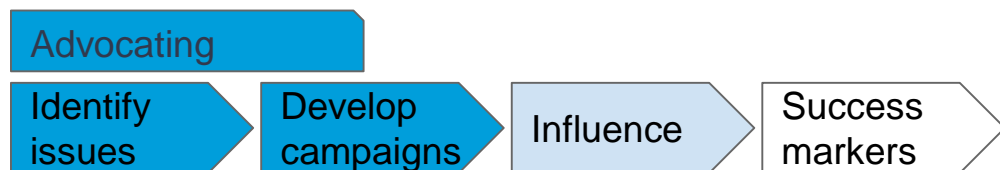


Advocating (50%)	Engaging (10%)	Shining a light (20%)	Adding new insights (20%)
<p>We will work independently and with others to advocate the consumer interest and help create a fairer superannuation system for low and middle income Australians. Where important data is missing, underutilised or hidden 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>

Performance metrics

Activity Area	Performance Activity	Measurement/Reporting
Advocacy	1.1 Identification of emerging issues	Covered in narrative reports.
	1.2 Policy, legislative, community sector and industry dialogue	<ul style="list-style-type: none"> •6 submissions on core priorities •3 submissions referenced in recommendations or draft reports •Create an influencer map •Meet with relevant industry stakeholders, regulators decision makers and consumer representatives
	1.3 Campaigning and advocacy	<p>Covered in narrative reports</p> <p>Develop 2 consumer facing campaigns</p>
	1.4 Media activity	<p>12 x medium impact content. Medium impact stories are ones which are related to our priorities, but typically reactive, for a mainstream audience and/or mix of policy and consumer advice.</p> <p>6 x high impact content. High impact stories are pro-active, core to our priorities and target key journalists/media outlets which are most likely to get us heard by decision makers (e.g. The Australian, The AFR, Radio National, 4 Corners).</p>
Engagement	2.1 Expert engagement: establish practice group and information sharing process with allies	<p>Practice group from financial counsellors, lawyers and community workers is established and begins to exchange information and provide case studies which the SCC uses in its work. It will operate like a funnel, generating lots of information exchange which we will distill into insights and refine further to find cases that are appropriate for submissions, media or campaign activations.</p> <p>20 instances of information exchange</p> <p>15 case insights</p> <p>10 utilisations of information gathered</p>
	2.2 Collaboration in advocacy and campaigns	Narrative report will cover sector partnerships, including any expert forums and where sectoral colleagues have supported SCC work.
	2.3 Supporter engagement: Coordinate process for gathering consumer stories direct from members of the public	<p>Process is developed to gather consumer stories directly. Our six-monthly narrative report will cover the key insights discovered and how they were utilised.</p> <p>20 posts to a platform</p> <p>15 consumer insights</p> <p>10 utilisation of information gathered</p>
Shining a light	3.1 Identification of systemic & emerging issues	Covered in narrative reports
	3.2 Investigative journalism	<p>1 product comparison piece</p> <p>10 medium impact content pieces (medium impact will be a mixture of relevant breaking news, reporting on submissions and research as well as some hybrid policy/financial literacy pieces)</p> <p>3 high impact content pieces (including partnership opportunities, e.g. two collaborations a year with high impact outlets like The Australian, The AFR, 4Corners, 7.30 etc.)</p>
Adding new insights	4.1 Undertake research and data analysis	<p>3 snapshots or insight reports published</p> <p>1 key research report published</p> <p>Narrative report on ongoing/longer term research projects</p>
	4.2 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.

Status: Advocating



Measurement

- 5/6 submissions on core priorities
- 1/3 submissions referenced in recommendations or draft reports
- 1/1 Create an influencer map
- 2/2 Develop 2 consumer facing campaigns
- 3/12 medium impact stories in media.
- 0/6 high impact stories in media.

We have hired a full team including a senior policy adviser, campaigns and communications assistant, research and data analyst and investigative journalist.

We've now identified our key issues and developed campaigns plans for fund performance and junk insurance. These plans set us up for activity over the next two years.

We are in the process of influencing via submissions, media and visiting key decision makers. The major submissions we have worked on are [APRA's standard on member outcomes](#) and the [Putting Member's Interests First \(PMIF\) legislation](#). We've also made submissions to ASIC's RG97 consultation, Treasury's universal terms within life insurance consultation, its consult on financial services codes and APRA's capability review.

The major piece of work has been in supporting the passage of the PMIF bill, which has been about three years in the making. Getting this passed will support more people in the superannuation sector, saving the most vulnerable significant amounts.

Status: Engaging



Engaging



Measurement

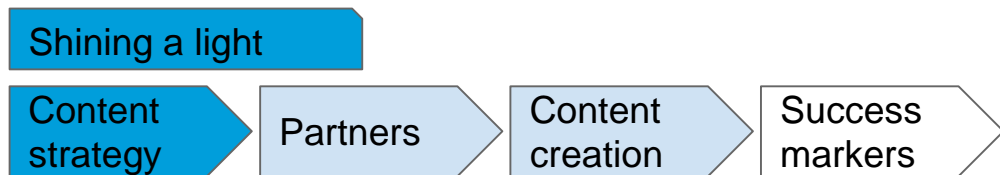
Practice group from financial counsellors, lawyers and community workers is in trail with Financial Rights.

- 10/20 instances of information exchange
- 10/15 case insights
- 0/10 utilisations of information gathered
- 5/20 posts to a platform
- 5/15 consumer insights
- 1/10 utilisation of information gathered

The team has been working with Financial Rights Legal Centre and its database of superannuation case studies. We're using this as a pilot before engaging further with other financial counselling and legal networks. As we don't have a case handling function, these stories of real people's experiences of superannuation will be invaluable to our advocacy work.

We have continued to work with advocates in the consumer movement on policy reforms around insurance in superannuation. It has been important to work with the rest of the sector to ensure debates around policy reforms like PMIF capture the long term impact and costs of poor value insurance.

Status: Shining a light



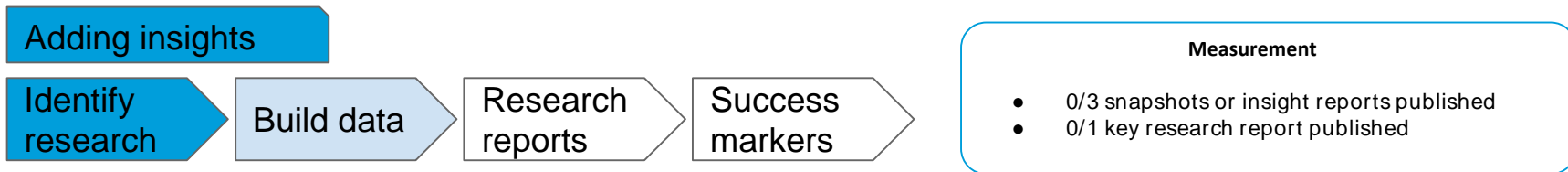
Measurement

- 0/1 product comparison piece
- 3/10 medium impact content pieces
- 0/3 high impact content pieces

The last few months have involved setting up the infrastructure to allow us to create powerful content. We have begun creating medium-impact pieces (news and general information for consumers) while planning high-impact pieces (either original research or work done in partnership with other major outlets). We have a strategy in place to focus on high value investigative and comparison journalism.

Our journalist has begun publishing on choice.com.au. Our first content piece on upcoming changes to super on 1 July had the highest level of engagement from the CHOICE member email, indicating that our content will remain in-demand and useful. We have followed up with a piece on insurance premium price rises and will soon release a longer form piece on the high number of people being defaulted into underperforming super funds.

Status: Adding insights

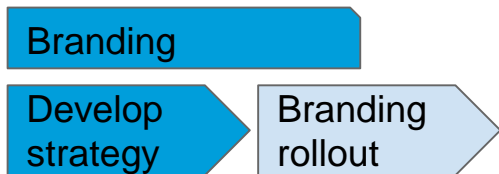


We expect it will still be a few months before we're able to publicly release original research.

We've now identified our key research targets and built them into our campaign strategies. We are building a database that we can query for research snapshots (e.g. top performing funds, worst performers, types of insurance, number of inactive accounts, growth in members etc). We are negotiating to access major data resources which will give us product level insights into insurance and fund performance.

We are currently working through restrictions coming from data holders associated with the use of this data and the broader issue of compliance with financial advice laws.

Status: branding rollout



As a new organisation we had no branding other than a logo and name that we had been given on formation in 2013.

We needed a brand which could meet a number of criteria, including:

- Helping to communicate our consumer focused purpose to major stakeholders in government and the broader community,
- Showed our relationship to CHOICE during start-up, but was capable of forming its own identity in the future,

We hired a consultant for a small project to help us bring together these needs into a brand. After some small workshops and brand testing we decided Super Consumers Australia better achieved our criteria.

Since introducing the new brand a month ago we have been rolling it out across our [content](#), [submissions](#), email signatures, [website](#) and media commentary.

Challenges, risks and mitigation

Challenges and mitigation

- Building capacity: As noted in our last update the main challenge has been building the capacity of a new organisation in the short term so that it can have an immediate impact. We have mitigated this by partnering with CHOICE and leveraging the subject matter expertise. With a full team now on board this challenge is being overcome and we are already seeing the first results in terms of submissions, content and research.
- Data availability: Getting access to adequate data on fund performance and insurance products remains a challenge. Many of the available sources of this data are in commercial relationships with superannuation funds. This has placed some limits on the way we can use data (e.g. long-term data on the worst performing products on the market). We are managing this by leveraging the data that is publically available from the regulator to the fullest extent. This has allowed us to make comparisons at the fund level and across MySuper products which will still be useful for our advocacy and consumer information goals. Longer-term we will need to consider how the regulators can play a bigger role in making data available as well as building out own capacity for data collection.

Risks

- Other than the challenges outlined above there are no major risks to note.

Financial update

Profit and Loss

Superannuation Consumers Centre LTD
For the month ended 30 June 2019

	JUL - DEC 2018	JAN - JUN 2019	TOTAL FY19
Trading Income			
Community Benefit Payment	2,500,000	-	2,500,000
Fee for service - consulting, training	-	369	369
Interest Income	2,196	30,911	33,107
Total Trading Income	2,502,196	31,281	2,533,477
Gross Profit	2,502,196	31,281	2,533,477
Operating Expenses			
Accounting & Audit Fees	-	1,065	1,065
Bank Fees	70	-	70
Secretarial Fees	2,250	4,500	6,750
Dues & Subscriptions	-	350	350
Legal Fees	-	6,719	6,719
Meals travelling	-	70	70
Public Transport	-	30	30
Consultant Fees	82,334	106,450	188,784
Total Operating Expenses	84,654	119,185	203,838
Net Profit	2,417,542	(87,904)	2,329,638

The Superannuation Consumers Centre (trading as Super Consumers Australia) continues to work with CHOICE to deliver the project.

Most funds spent have been on this partnership.

Spending has been slower than budgeted due to the time taken to recruit qualified staff on the project. All staff have been recruited and spending is now occurring as planned.