



22 March, 2021

██████████
Senior Analyst, Financial Advisers
Australian Securities and Investments Commission (ASIC)

Dear ██████████,

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

This letter and attachment outlines what the Superannuation Consumers Centre (trading as Super Consumers Australia) has achieved between the August 2020 and March 2021 reporting period. It also includes the challenges faced, mitigation strategies and risks to flag with ASIC (as requested in letters dated 8 August 2018).

Yours sincerely,

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

Xavier O'Halloran
Director
Super Consumers Australia
e. xohalloran@superconsumers.com.au
m. 0415 823 607

57 Carrington Road Marrickville NSW 2204

Phone 02 9577 3333 | Fax 02 9577 3377 | Email xohalloran@superconsumers.com.au

ACN 163 636 566 ABN 34 163 636 566



Super
Consumers
Australia

Super Consumers Australia Activity Update

September 2020 - March 2021

Our goals

Advocacy	Engagement	Shining a light	Research
<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 information to help people to make better decisions about their superannuation</p>	<p>We will build a strong evidence base for our advocacy and consumer help through original research.</p>

Your Future, Your Super (YFYS)

We made a [submission](#) to the Treasury inquiry into the Your Future, Your Super draft legislation. We see the legislation as being important in developing a pro-consumer market for superannuation. We made several recommendations to the legislation to improve its ability to deliver on its stated intent. This included expanding the performance benchmarks to cover administration fees and all superannuation products. We are in the process of drafting a response to the senate committee reviewing the legislation, including developing original research to demonstrate the impact of the bill on consumers.

Merger analysis

One of the core findings of the Productivity Commission report into superannuation was that there was a long tail of underperforming funds and that consumers could benefit from greater consolidation and merger activity. We sought to test this finding against recent merger activity and map the impact on fees charged to consumers. Our [peer reviewed research](#) found large overall decreases in fee levels at recently merged funds. We are using this research to support measures which will lead to greater consolidation in the industry, including the YFYS bill.

Poor value insurance offerings

We have continued our advocacy work calling on superannuation funds to improve restrictive terms in their insurance offers. In December we [published data](#) on the funds who have and have not committed to improve their policies. This was the result of direct engagement with funds highlighting to each how they stack up against their peers. We will continue to track these funds to drive change within the sector.

Key policy wins

Over the last few months we have had success in getting a number of our recommendations supported by inquiries or introduced into law and legal instruments, these have included:

- Hayne Royal Commission reforms [passed in February](#) (including financial advice in super reforms)
- Anti-hawking legislation passed in [December 2020](#)
- RIR cited our research on living standards and spending needs in retirement (p.128, 158), lack of trust in financial advice (399), lack of retirement planning resources (p.403) and more.
- APRA Prudential Standard on Insurance in Super adopted many of our technical recommendations.

We have now established and had multiple meetings with our two expert reference committees. One is a research reference committee made up of academics in the superannuation space. It provides input on our research agenda and peer reviews our outputs. This was used recently to improve the technical analysis within our merger research.

Our second reference committee is made up of people who work with key groups of consumers, including young people, people who are older, indigenous, women and people on low incomes. This group brings key concerns for discussion and we test policy proposals against the impact on the vulnerable consumers they represent. This group also guides the consumer advice material we produce via our content platform on the CHOICE website. We regularly share consumer advice pieces for distribution among these networks.

We continue to produce in depth investigations to unpack the impact of policy reforms on consumers

- [Are insurers profiting from JobKeeper payments to claimants?](#) (2020)
- [What the budget means for super members](#) (2020)
- [Can MySuper dashboards help you find the best super fund?](#) (2020),
- [Junk TPD insurance set to return in 2021](#) (2020),
- [A super fund merger could shave almost \\$15,000 off your fees](#) (2021)

General consumer assistance pieces to help people navigate the superannuation market

- [How to compare super funds](#)
- [What's the best thing to do with your super in retirement?](#)
- [Ethical super Part 5: Will your nest egg be better off?](#)

Media: External use of resources

We continue to get external media coverage of our work, including pick up of our merger research, ethical investing series and insurance in super coverage. This has included coverage in The Australian, The Australian Financial Review, The Age/Sydney Morning Herald.

We have released [updated research on junk insurance](#). The new research is on the progress of funds in removing junk insurance terms.

In February 2021 we released [peer reviewed original research on how fund mergers](#) help consumers. The research was published in The Australian.

We released part of [our research on retirement](#) planning at the CoTA Forum alongside the Treasurer, Minister and Shadow Minister.

We are consulting with senior leaders at ASIC on our upcoming retirement planning research.

Challenges, risks and mitigation



Challenges and mitigation

The pandemic continues to create challenges to our ability to work in a safe and productive way. We continue to mitigate this challenge via our work from home policy and creating a COVID safe work environment for those who wish to work from the office. We continue to make use of technology to overcome the challenges associated with remote work. We have also promoted the use by staff of employee assistance programs. Finally, we have set up new ways of working and socialising as a team in a COVID safe way.

Risks

There are no risks to note.

We continue to partner with CHOICE to deliver the project. Due to the short term project nature of the funding, Super Consumers employs staff and has access to office space and equipment via CHOICE. CHOICE is paid a consultant fee to recoup the costs of Super Consumers.

We recast our budget in order to lengthen our operation horizon and gained a \$250,000 grant from the Ecstra Foundation in order to complete a major research project. Overall expenditure was lower due to the global pandemic. At current rates the organisation has sufficient funds to operate until the end of April 2022.

Profit & Loss

Superannuation Consumers Centre LTD For the 8 months ended 28 February 2021

	ACTUAL	YTD ACTUAL
Income		
Community Benefit Payment	-	104,167
Interest Income	1	3,063
NFP/NGO Grants	-	150,000
Total Income	1	257,230
Expenses		
Accounting & Audit Fees	340	2,724
Bank Fees	-	105
Consultant Fees	-	340,528
Dues & Subscriptions	-	350
Insurances operating (bus stock ops-interrupt)	-	2,078
Interest Paid	-	50
Secretarial Fees	-	9,000
Total Expenses	340	354,834
Profit/(Loss)	(339)	(97,604)

Balance Sheet

Superannuation Consumers Centre LTD As at 28 February 2021

	28 FEB 2021
Assets	
Current Assets	
Business Account	47,048
Community Fee Saver	174,642
Term Deposit	1,000,000
Total Current Assets	1,221,691
GST	17,049
Total Assets	1,238,739
Net Assets	1,238,739
Equity	
Retained Earnings	
Current Year Earnings	(97,604)
Retained Earnings	1,336,343
Total Retained Earnings	1,238,739
Total Equity	1,238,739