

## Media Release

## **IFSA members embrace historic consumer charter for super fund members**

### ***Super Charter heralds new era of superannuation – greater choice about fees; fairer and more competitive***

***Wednesday 17 June 12:00pm: Parliament House, Canberra***

The Investment and Financial Services Association (IFSA) has today unveiled an historic charter to create a fairer and more competitive superannuation system for all Australians.

IFSA members have agreed on a charter that entails a new approach to the payment for financial advice in super and a range of other reforms.

“The Charter has three commitments to super fund members - informed choice, fairness and competition.

“It contains recommendations to lift the bar in both public policy and industry practice. While some recommendations are for government and regulators to address, one very important set of reforms is for the industry to deliver. And deliver we will,” Mr Gilbert said.

“Commencing in July 2010 we plan a fresh approach to the payment for financial advice in superannuation. This will boost consumer confidence in superannuation at a time when it is most needed.”

“Under the new regime consumers will be empowered by knowing exactly how much they are paying for financial advice in their superannuation. Fund members will be able to negotiate the value they receive for the advice fees they pay – and to opt-in or opt-out of advice payments depending on their circumstances and needs,” Mr Gilbert said.

“Other vital measures contained in the Charter include making performance reporting an industry-wide standard so consumers can, for the first time, really compare ‘apples with apples’. We are also seeking consistent regulation of all super products, along with stronger measures to prevent misleading advertising and promotional practices. These initiatives will help ensure open, fair and transparent competition in superannuation.

“The effective implementation of the Charter requires a partnership between industry, regulators and government, which is why we are delighted to be here in Canberra today to begin working on how best to progress with this significant industry commitment”, concluded Mr Gilbert.

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*IFSA represents the retail and wholesale superannuation, funds management and life insurance industries. IFSA has over 145 members who are responsible for investing over \$1.1 trillion, on behalf of more than ten million Australians. Adherence by Members to IFSA Standards and Guidance Notes ensures the promotion of industry best practice.*

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Key initiatives contained in the Super Charter include:

Initiative	Effect when ratified & introduced
Fees	<p>To determine how, when and why fees are to be paid to financial advisers for super advice.</p> <p>Fees for financial advice in super will only be charged via either a Member Advice Fee (MAF) or Plan Service Fee (PSF):</p> <ul style="list-style-type: none"> <li>The MAF will allow super fund members to agree to, and opt in to, fees for personal advice</li> <li>The PSF will offer members an opt-out fee for general advice about superannuation</li> </ul>
Performance reporting	Uniform, industry-wide, standards will govern the reporting of investment performance, allowing true 'like with like' comparisons
Truth in advertising	New rules to limit advertising and promotion of superannuation investment and projections
Partnership approach with regulators & government	Regulation to enable open, fair and transparent competition in superannuation

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