



SUBMISSION TO THE AUSTRALIAN GOVERNMENT'S
DISCUSSION PAPER:

*Better regulation and governance, enhanced transparency
and improved competition in superannuation*

12 FEBRUARY 2014

12 February 2014

Manager
Superannuation Unit
Financial System Division
The Treasury
Langton Crescent
Parkes ACT 2600

Dear Manager:

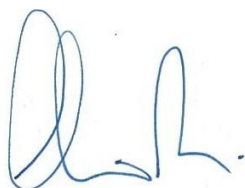
HSU National appreciates the opportunity to provide a submission to the Government's November 2013 Discussion Paper: *Better regulation and governance, enhanced transparency and improved competition in superannuation*.

Our submission focuses predominantly on sections two and four of the Discussion Paper, "better governance" and "enhancing competition in the default superannuation market", respectively, however our submission does examine all of the topics put forward in the Discussion Paper.

Responses to the individual Focus Questions begin on page six, following the introduction.

If you require any further information on any of the content in this submission, or have any further questions relating to this submission, please use the relevant contact details on the following page.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris Brown', with a stylized, cursive script.

Chris Brown

Acting National Secretary

HSU National

About HSU National

The Health Services Union (HSU) is a growing member based union fighting for dignity and respect for health and community services workers. HSU members are at the forefront of some great nation building changes in the National Disability Insurance Scheme, Public Health and Aged Care reform.

We are a driving force to make Australia a better place.

HSU members work in aged care, disability services, community health, mental health, private practices and hospitals. Members are health professionals, paramedics, scientists, aged care workers, nurses, technicians, personal care and support workers, clerical and administrative staff, disability support workers, managers, doctors, medical librarians and support staff.

We are committed to advancing and protecting the wages, conditions, rights and entitlements of members through campaigning and workplace activism. HSU also provides a range of services and support to assist members with many aspects of working and family life.

HSU National is the trading name for the Health Services Union, a trade union registered under the Fair Work (Registered Organisations) Act 2009.

Submission Details

Organisation: HSU National

Stakeholder Type: Trade Union

Contact Person: Chris Brown, Acting National Secretary, P. 0418 564 199 E. chrisb@hsu.net.au

Submission Author: Mark Farthing, National Project Officer, P. 0447 744 509 E. markf@hsu.net.au

Introduction

All Australians have a right to expect that their superannuation contributions, compulsorily given, are prudently managed. While HSU National agrees that regulation and good governance is essential to this, we assert that regulatory decisions and governance reforms should always be evidence-based and be guided by the principle of advancing fund members' interests. We contend that many of the proposals set forth in the Discussion Paper fail to meet this test and suggest that the Government refocus its priorities on regulation and reform that will, in its own words, 'improve the wellbeing of all Australians.'¹ It is with the principles of evidence-based policy and advancing fund members' interests in mind that HSU National responds to the issues set forth in the Discussion Paper.

There is no evidence that the current trustee representative governance model of not-for-profit superannuation funds is not working.² On the contrary, if we are to use rates of return as a measure of board performance, not-for-profit funds have performed exceptionally well (see [Table 2 Median Returns by Fund Classification \(APRA Annual Superannuation Bulletin\)](#)).

One of our key concerns centres on the Discussion Paper's presumption that the legal frameworks which govern banks and insurance providers are applicable to Registered Superannuation Entities (RSEs). This assumption is both unfounded and inappropriate given that the vast majority of superannuation funds in Australia must be established as trusts. The Australian Council of Trade Unions (ACTU) states in its submission:

'Trust law proscribes a set of principles and rules of general application that govern the relationship between the trustee and beneficiaries of the trust, central to which is the notion of fiduciary duty. This duty means that the trustee is expected to serve faithfully the interests of the fund members within the terms of trust to the exclusion of the fiduciaries own interests. The legal obligations placed on the directors of superannuation funds are therefore qualitatively different than those placed on the directors of banks and insurance companies. Fund directors have a fiduciary relationship with fund members which impose standards of trust, care, diligence and prudence that are not comparable to the commercial contractual relationships that banks and insurance companies have with their customers.'³

Furthermore, the Australian Prudential Regulation Authority (APRA) Prudential Standards—which have the force of legislation as they are made under section 34C of the *Superannuation Industry (Supervision) Act 1993* (SIS Act)—set, among other things, minimum standards for boards (SPS 510

¹ Australian Government (2013) *Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 10.

² 'Not-for-profit superannuation funds' includes industry funds (which may or may not be public offer funds) or government funds such as First State Super, whose board is comprised of representatives nominated by employers (including the NSW Government) and employee representatives.

³ ACTU (2014) *Submission to Australian Government's Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 6.

Governance)⁴; require that board members are ‘fit and proper persons’ (SPS 520 Fit and Proper)⁵; and establish requirements for the ‘identification, avoidance and management of conflicts of duty and interest by an RSE licensee’ (SPS 521 Conflicts of Interest).⁶ Since directors at not-for-profit funds governed under the equal representation model are generally nominated by representatives of members and by sponsoring organisations (participating employers) of the fund—rather than being drawn from the fund’s executive management—they do not have beneficial interest in how the fund operates nor are they driven by commercial considerations, rather their focus is simply on ensuring maximum returns for their members. All employer and employee nominated trustee directors on not-for-profit superannuation boards are therefore “independent” in the sense that they are independent of fund management.

HSU National does not support the proposition being made by the Government in its Discussion Paper that the definition of independence for directors in the context of superannuation boards is an individual who is not aligned with an employee or employer representative organisation. HSU National maintains its support for the Productivity Commission’s conclusions in its 2001 report into the superannuation industry which found that:

‘The equal representation rules for trustee boards of standard employer-sponsored funds provide balanced representation of employer and employee interests. They are conducive to active member interest in the prudent management of these funds. This benefit exceeds the cost of finding and appointing members who are capable of undertaking trustee duties.’⁷

Furthermore, HSU National endorses the ACTU position that any move to mandate a proportion or majority of independent directors should be subject to a rigorous regulatory cost analysis.

HSU National is also concerned by the Government’s apparent disdain for existing arrangements in the default superannuation market despite the fact that default funds currently listed in awards have, on average, delivered better returns for members than non-default funds.⁸ Indeed, the current arrangements have boosted the retirement savings of millions of Australians. This is an outcome which should be the goal of any prudent Government given that widespread inadequate superannuation balances coupled with the ageing of the population will result in unparalleled strain on the Budget as more Australian’s are forced to rely on the Age Pension once they retire.

⁴ SPS 510 requires that the Board have policies on Board renewal and procedures for assessing Board performance; mandates the establishment of a Board Remuneration Committee and a Board Audit Committee. See APRA (2012) *Prudential Standard SPS 510 Governance*.

⁵ SPS 520 establishes minimum requirements for RSE licensees in determining the fitness and propriety of individuals to hold positions of responsibility. The fitness and propriety of a responsible person must generally be assessed prior to initial appointment and then re-assessed annually. See APRA (2013) *Prudential Standard SPS 520 Fit and Proper*.

⁶ APRA (2012) *Prudential Standard SPS 521 Conflicts of Interest*.

⁷ Productivity Commission (2001) *Superannuation Industry (Supervision) Act 1993 and certain other Superannuation Legislation Draft Report*, p. 87.

⁸ Productivity Commission (2012) *Default Superannuation Funds in Modern Awards*, Report No. 60, p. 8.

Response to Focus Questions

Part 2: Better Governance

What is the most appropriate definition of independence for directors in the context of superannuation boards?

HSU National endorses the ACTU's definition of independence in the context of superannuation boards:

'A definition of independence for directors in the context of superannuation boards should have equal application across the whole superannuation industry, be consistent with how independence is defined in comparable areas of Australian corporate governance, and allow those bodies responsible for deciding board membership to be able to choose from a reasonably large and diverse group of potential members with relevant experience, knowledge and skills. The ASX Corporate Governance Guidelines provide a useful definition of independence that has proven to be practical, effective and consistent with good governance across the listed corporate sector. In a superannuation context this definition would have to be modified to make it relevant to RSE licensees, and relevant parts of the SIS Act amended to facilitate the new definition and its application to all RSE funds. Application of the definition should recognise the important distinction between beneficial shareholders whose primary interest is to maximise returns on their investments, and non-beneficial shareholders [in this case, employee and employer representative organisations] in a superannuation trustee context whose primary duty is to advance the best interests of fund members. An independent director is a non-executive director who is not a member of management (of the RSE licensee or any of its related bodies corporate) and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.'⁹

Therefore, HSU National argues that employer and employee nominated trustee directors on not-for-profit superannuation boards are already independent in the sense that they are independent of fund management. HSU National does not support the proposition being made by the Government in its Discussion Paper that the definition of independence for directors in the context of superannuation boards is someone who is not aligned with an employee or employer representative organisation.

What is an appropriate proportion of independent directors for superannuation boards?

HSU National believes that the Government has failed to make a case for mandating that not-for-profit superannuation funds include either a majority or one-third of independent (non-aligned)

⁹ ACTU (2014) *Submission to Australian Government's Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 8.

directors on their boards. Given that the rationale for mandating independent directors on superannuation boards stems from the Government’s desire to ‘improve the wellbeing of all Australians’¹⁰ one would assume that superannuation funds whose boards currently comprise a proportion of “independent” (non-aligned) directors (retail funds) outperform not-for-profit funds governed by representative trustees (industry funds). This, however, is not the case and, in fact, the reverse is true. SuperRatings, Australia’s leading independent superannuation research firm, found in its 2013 Crediting Rate Survey that the median industry fund outperformed the median retail fund over 1, 3, 7 and 10 years.

Table 1 Median Returns by Fund Classification (SuperRatings Fund Crediting Rate Survey)

	1 Year	3 Year	5 Year	7 Year	10 Year
Industry	17.17%	8.78%	8.70%	4.50%	7.43%
Retail	15.90%	7.96%	8.70%	2.63%	5.54%

Source: SuperRatings Fund Crediting Rate Survey (December 31, 2013) SR50 Balanced Option – Median Returns

Additionally, the most recent APRA data reveal that at the aggregate level industry funds governed by representative trustees consistently outperform retail funds.

Table 2 Median Returns by Fund Classification (APRA Annual Superannuation Bulletin)

	1 Year	5 Year	10 Year	15 Year
Industry	14.40%	3.80%	6.70%	5.30%
Retail	13.10%	2.90%	4.90%	3.70%
Corporate	12.30%	4.40%	6.50%	5.30%
Public Sector	14.20%	4.00%	7.00%	5.90%

Source: APRA (2014) Annual Superannuation Bulletin

We also note from the ACTU’s submission that APRA’s analysis of annual rates of return over a 10 year period show that 96 per cent of the 50 top performing funds are from the not-for-profit sector. Of the 50 lowest performing funds, 80 per cent are for-profit funds.¹¹ For another point of comparison, over the last 10 years a sample beneficiary of an average industry fund is \$25,053 better off than an equivalent beneficiary of an average retail fund.¹² Collectively, these data demonstrate that in terms of the most important measure of member interests, net returns, the presence of independent directors on superannuation boards has no correlation with better fund performance.

¹⁰ Australian Government (2013) *Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 10.

¹¹ ACTU (2014) *Submission to Australian Government’s Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 3.

¹² This comparison uses two sample employees, each with a starting balance of \$74,600 and a starting salary of \$59,100. The average difference in net benefit takes into account historical earnings and fees (excluding contribution, entry, exit and additional advisor fees) of the main balanced investment options of the 16 Industry SuperFunds and all retail funds tracked by SuperRatings as at 30 June 2013, see SuperRatings modelling commissioned by Industry SuperFunds (2013), available at: <http://industrysuper.com.au/assumptions.aspx>, accessed 3 February 2014.

While the Discussion Paper also states that ‘independent directors provide an external, dispassionate perspective, enabling boards to benefit from a diversity of views and provide a check on management recommendations,’ as a rationale for mandating the appointment of independent (non-aligned) directors, this is unfounded.¹³ Indeed, whilst it has applicability to listed companies whose boards comprise members of the firm’s executive management, no superannuation fund with a representative governance structure has directors who are also members of the fund’s executive management.

HSU National agrees with the ACTU’s position that superannuation funds operating with representative governance structures should be able to determine that up to one third of their board comprise independent directors, but that they should not be coerced to do so through regulation. HSU National supports changes to the SIS Act to enable superannuation funds operating under equal representation governance structures to not require APRA approval when appointing independent directors to their boards until a composition threshold of one third is reached. In short, the composition of the board should be a matter for the fund to determine, not forced through regulation either by legislation or otherwise. With the APRA prudential standards, and the SIS Act, current regulation is sufficient to ensure good governance.

Both the ASX Principles for listed companies and APRA’s requirements for banking and insurance entities either suggest or require an independent chair. Should superannuation trustee boards have independent chairs?

As our response to the previous Focus Question makes clear, HSU National does not believe there is any basis on which to mandate either one-third or a majority of independent (non-aligned) directors on superannuation trustee boards. With those same arguments in mind, HSU National does not support mandating independent chairs on superannuation trustee boards. Current regulation already allows for the appointment of independent chairs and, at present, numerous funds with representative governance structures have independent chairs.¹⁴ Superannuation funds should remain at liberty to determine what arrangements suit their needs and thereby serve their members’ best interests.

Given the way that directors are currently appointed varies across funds, does it matter how independent directors are appointed?

HSU National asserts that the current mechanism used by superannuation funds with representative governance arrangements to appoint independent (non-aligned) directors is appropriate. This involves selection being delegated to the board (or relevant sub-committee), with final approval subject to the agreement of the nominating entities. We concur with the ACTU in its finding that there is no evidence which supports one particular model of independent director appointments

¹³ Australian Government (2013) *Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 10.

¹⁴ Some of the largest industry superannuation funds currently have independent directors, including: HESTA, HOSTPLUS, MTAA Super, AustSafe Super, Legal Super and REI Super.

over another.¹⁵ Funds should be free to practise appointment processes that reflect their circumstances and the best interests of their members.

Should the process adopted for appointing independent directors be aligned for all board appointments?

No. There is no evidence either within Australia or internationally that we are aware of which would suggest standardisation is necessary or desirable.

Are there any other measures that would strengthen the conflict of interest regime?

HSU National endorses the ACTU's position on this subject:

'Firstly, recognising the important role of service providers (including in relation to administration and investment) and the importance of public transparency throughout the superannuation system, funds should a) make full disclosure to members about these arrangements (including in relation to investment fees), and b) implement standard contractual terms with material service providers requiring public disclosure of the remuneration of their directors and officers. Secondly, superannuation funds should be required to conduct business with related parties on terms no more favourable to the related party that would be reasonable if the fund were dealing at arm's length.'¹⁶

In relation to board renewal, should there be maximum appointment terms for directors? If so, what length of term is appropriate?

HSU National supports the ACTU's policy on this issue which is that:

'Appointments to trustee boards should be on a renewable fixed term basis with an ideal term of no more than 3 years. APRA should develop prudential guidance in support of this arrangement which allows for variation on an 'if not, why not' basis. We do not believe it is appropriate for Government or APRA to mandate a maximum number of terms. There is no length of service after which a director can be assumed to be less effective. Requiring that a director leave a board regardless of their performance and the circumstances of the fund risks depriving the board of important experience and skills at potentially significant moments in the fund's operation.'¹⁷

¹⁵ ACTU (2014) *Submission to Australian Government's Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 9.

¹⁶ *Ibid.*, p. 10.

¹⁷ *Ibid.*

Funds should be allowed to establish procedures that are not detrimental to their members' interests, such as, for instance, arranging for "staggered terms" which would allow for board renewal over time but not at the expense of experience drain.

Should directors on boards be subject to regular appraisals of their performance?

HSU National strongly supports a compulsory program of professional training for directors who are appointed without prior superannuation trustee experience.¹⁸ Ongoing professional development and training should also be required for all directors that is consistent with Australian Institute of Superannuation Trustees (AIST) standards. Failure to participate in these programs should preclude renomination and should be adopted as formal policy by funds. With regard to appraisal, this should be determined by individual funds, with oversight by the fund's own governance and remuneration committees.

Would legislation, an APRA prudential standard, industry self-regulation or a combination be most suitable for implementing changes to governance? What would the regulatory cost and compliance impacts of each option be?

Given the absence of any evidence suggesting that the superannuation industry—and the not-for-profit sector in particular—has suffered a failure of governance and that the Government has firmly stated that regulation is not its 'default position' and 'will only be imposed where unavoidable',¹⁹ HSU National asserts that there is no rational reason why the Government should mandate that superannuation trustee boards comprise a certain number of "independent" directors. However, if change was to be mandated, HSU National would only support self-regulation after a period of industry consultation with APRA. HSU National endorses the ACTU position that any move to mandate a proportion or majority of independent directors should be subject to a rigorous regulatory cost analysis.

What is the appropriate timeframe to implement the Government's governance policy under each option?

HSU National does not believe the Government has made a cogent case for mandating that not-for-profit superannuation funds appoint independent directors to their boards. It is neither evidence-based, nor in the best interests of members. Therefore we do not propose timeframes as any would be inappropriate.

Given that the Discussion Paper explicitly states that, 'regulation is not the default position for this Government and will only be imposed where unavoidable,' HSU National is confused as to why the

¹⁸ This requirement is already codified to a certain extent in APRA (2013) *Prudential Standard SPS 520 Fit and Proper*.

¹⁹ Australian Government (2013) *Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 7.

Government is seeking to overturn the successful equal representation model of governance practised by not-for-profit superannuation funds.²⁰ We strongly urge the Government to reconsider its policy in light of the arguments and evidence put forward in this submission.

However, should the government mandate changes to the representative structure of not-for-profit superannuation funds, there should be a minimum phase-in period of 3 years. However, this should be a matter for each board to determine, under a model of self-regulation. There is a governance risk to superannuation funds being required to change the composition of their boards, and running the risk of losing the expertise of current experienced trustee directors.

Given that there will be existing directors appointed under a variety of terms and conditions, what type of transitional rules are required?

Please refer to our response to the previous Focus Question.

Part 3: Enhanced transparency—choice product dashboard and portfolio holdings disclosure

On this subject HSU National affirms its support for the transparency measures introduced by the previous Government and is opposed to any legislative or regulatory changes which would serve to weaken these measures.

Part 4: Improved competition in the default superannuation market

Does the existing model (which commences on 1 January 2014) meet the objectives for a fully transparent and contestable default superannuation fund system for awards, with a minimum of red tape?

Given that nearly all employed Australians are forced to participate in the superannuation market through compulsory contributions, the overriding feature of default superannuation arrangements must place the interests of disengaged members first. In its 2011 enquiry, the Productivity Commission found that:

‘The current default superannuation arrangements have resulted in net returns of default funds (that is, those listed in modern awards) generally exceeding those of non-default funds. Over the eight years to 2011, default funds in modern awards averaged an after-tax rate of return of 6.4 per cent, compared with 5.5 per cent for non-default funds.’²¹

²⁰ Ibid.

²¹ Productivity Commission (2012) *Default Superannuation Funds in Modern Awards*, Report No. 60, p. 8.

Consequently, HSU National supports the existing model. Since the Discussion Paper obfuscates this particular point, HSU National would also like to highlight that competition is not barred under the existing arrangements as any fund can apply for listing by the Expert Panel and any fund with the support of an employee or employer (or their representative) can make a case to the Fair Work Commission (FWC) to be included in a particular award.

If not, is the model presented by the Productivity Commission the most appropriate one for governing the selection and ongoing assessment of default superannuation funds in modern awards or should MySuper authorisation alone be sufficient?

HSU National does not believe the Productivity Commission's model is appropriate. Moreover, the rationale behind the MySuper reforms was to enable consumers to more accurately compare superannuation products, not to bestow a quality indicator. The Productivity Commission stated in its 2012 report that MySuper compliance should not automatically confer award inclusion:

'The Commission considers that, while the MySuper legislation seeks to provide information that will better enable superannuation products to be compared, employers are not best placed to make this comparison from the expected full suite of products that will be available in the medium term. This is due to the inherent principle-agent issues that exist between employers and employees, and the stated lack of interest and expertise on the part of many employers when it comes to choosing a default product, particularly from a large number of available products. Therefore, the Commission currently does not support [employers choosing any MySuper product].'²²

HSU National agrees with the Productivity Commission's recommendation, which is reiterated in the Discussion Paper, that the default superannuation product for awards should be chosen on merit.²³ Given that default funds have resulted in net returns for members greater than those of non-default funds, this is already occurring under current arrangements and there is no reason to change.

If the Productivity Commission's model is appropriate, which organisation is best placed to assess superannuation funds using a 'quality filter'? For example, should this be done by an expert panel in the Fair Work Commission or is there another more suitable process?

HSU National does not believe the Productivity Commission's model is appropriate and supports the current arrangement where the Expert Panel is comprised of equal numbers of FWC members and superannuation experts.

²² Ibid., pp. 191-92.

²³ Australian Government (2013) *Discussion Paper: Better Regulation and Governance, Enhanced Transparency and Improved Competition in Superannuation*, p. 27.

Would a model where modern awards allow employers to choose to make contributions to any fund offering a MySuper product, but an advisory list of high quality funds is also published to assist them in their choice, improve competition in the default superannuation market while still helping employers to make a choice? In this model, the advisory list of high quality funds could be chosen by the same organisation referred to in focus question 29.

HSU National strongly opposes this proposal as it will result in employer confusion and be detrimental to default members. On the first point, we refer again to the conclusion by the Productivity Commission that the MySuper reforms were designed to allow for easier comparison of superannuation products, and were never intended to represent a marker of quality. Furthermore, there appears to be a degree of consensus among employers, particularly small businesses, that the current arrangements are beneficial in that they remove the burden of choice when it comes to selecting superannuation funds for their employees in a crowded market. In 2012, the Council of Small Business Australia stated that: ‘Many consumers and small business owners do not have the interest, information or expertise required to make informed choices about their or their employees’ superannuation.’²⁴ Under the current arrangements, employers can be assured that the default funds listed in modern awards are quality products that have been selected carefully, and on merit, by experts. HSU National also argues that the focus on “employer choice” with regard to their employees’ superannuation is misguided. Superannuation forms a key part of an employee’s workplace entitlements and, at any time, the employee can elect to have their superannuation contributions paid into a fund of their choice. Given this, HSU National is perplexed as to why the Government feels it necessary to change the existing arrangements simply to give employers the choice to direct retirement savings, which do not belong to them, into funds of their choosing.

On the point that this model would be detrimental to millions of Australians’ retirement savings, we refer to 2012 research conducted by Rice Warner Actuaries on behalf of HOSTPLUS. The research found that opening up the default superannuation market in the manner recommended by both the Productivity Commission and the Discussion Paper, would increase competition, however, this increase would result in higher distribution costs and ultimately reduce the retirement savings of millions of Australians.²⁵ It would lead to higher cost pressures on smaller industry funds, likely leading to consolidation leaving perhaps as few as five to ten large industry funds. This consolidation would only reduce administration costs marginally, while the enhanced competition between industry and retail funds would require greatly increased expenditure on distribution resources for funds to defend their existing membership and to seek new members. The estimated cost increase per annum for the average industry fund member would be \$45, while it would be \$67 per annum for members of one of the five largest industry funds.²⁶ Table 3 demonstrates the impact of additional distribution costs on a typical superannuation fund member’s account balance at age 65 (in 2012 dollars).

²⁴ Council of Small Business Australia (2012) *Submission to the Productivity Commission Inquiry into Default Superannuation in Modern Awards*, p. 2.

²⁵ Rice Warner Actuaries (2012) *Default Superannuation Funds in Modern Awards*, commissioned by HOSTPLUS, p. 2.

²⁶ *Ibid.*, p. 4.

Table 3. Estimated Cost Impact for Members of Increased Distribution Costs

Age	Case Study		Estimated Retirement Benefit at Age 65	
	Current Balance	Annual Salary	With Current Annual Costs	After the Introduction of Proposed Measures
25	\$15,000	\$50,000	\$330,000	\$303,000
45	\$80,000	\$90,000	\$344,00	\$327,000

Source: Rice Warner Actuaries (2012) *Default Superannuation Funds in Modern Awards*, research commissioned by HOSTPLUS.

If changes are made to the selection and assessment of default superannuation funds in modern awards, how should corporate funds be treated?

HSU National does not support changes to the existing model.