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File Name: 2011/49



20 October 2011

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

Email: strongersuper@treasury.gov.au

Dear Sir \ Madam,

**EXPOSURE DRAFT – SUPERANNUATION LEGISLATION AMENDMENT (MYSUPER CORE PROVISIONS) BILL 2011
SUPPLEMENTARY SUBMISSION**

The Association of Superannuation Funds of Australia (ASFA) would like to provide this supplementary submission in relation to the Exposure Draft – *Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011* (“Bill”).

About ASFA

ASFA is a non-profit, non-political national organisation whose mission is to protect, promote and advance the interests of Australia's superannuation funds, their trustees and their members. We focus on the issues that affect the entire superannuation industry. Our membership, which includes corporate, public sector, industry and retail superannuation funds, plus self-managed superannuation funds and small APRA funds through its service provider membership, represent over 90% of the 12 million Australians with superannuation.

Comments of the use of the word “product” in the Bill

There is still clarity needed as to whether MySuper must be offered as a separate product or can be satisfied by utilising an investment option (generally the existing balanced, default, investment option). In ASFA's view, as stated many times, MySuper can be an investment option, product or fund.


Notwithstanding the fact that the definition of “MySuper product” in the Bill is deliberately broad, use of the terms “MySuper product” and “choice product”, as well as the occasional reference in the Bill and EM to just the word “product”, have created an impression that MySuper must be offered as a separate product.

The most significant issue with this is that, if providers have to offer MySuper as a product, then they will need to establish separate accounts. As you will understand, there are many different structures within funds and it is important that MySuper is structurally neutral as much as possible.

Accordingly, we suggest that consideration be given to “globally replacing” the word “product” throughout the Bill with the word “offering”. The word “offering” is sufficiently flexible to cover the possible different structures under which MySuper may be offered, without creating the impression that it must be offered as a separate product.

If you have any queries or comments regarding the contents of our submission, please contact me on (02) 8079 0805 or 0433 169 342 or by email pvamos@superannuation.asn.au.

Yours sincerely

A handwritten signature in black ink that reads "Pauline B. Vamos". The signature is written in a cursive, flowing style.

Pauline Vamos
Chief Executive Officer