



2023

Access information from the 2023 meetings of the Superannuation Industry Stewardship Group.

SISG key messages 13 September 2023



Key topics discussed at the Superannuation Industry Stewardship Group meeting 13 September 2023.

SISG key messages 8 November 2023



Key topics discussed at the Superannuation Industry Stewardship Group meeting 8 November 2023.

SISG key messages 7 June 2023



Key messages from the Superannuation Industry Stewardship Group meeting 7 June 2023.

SISG key messages 9 March 2023



Key topics discussed at the Superannuation Industry Stewardship Group meeting 9 March 2023.

Superannuation Industry Stewardship Group key messages 13 September 2023

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Stewardship Group meeting 13 September 2023.

Last updated 6 November 2023

On this page

[Welcome and introductions](#)

[Integrity declaration](#)

[Superannuation regulators](#)

[Environmental scan](#)

[Quality of member services](#)

[Payday Super](#)

[Improving data quality](#)

[Supporting retirement income](#)

[Attendees](#)

[Guest Attendees](#)

[Apologies](#)

Welcome and introductions

Co-chair David Knox opened the meeting with an Acknowledgment of Country. Acting Deputy Commissioner for Superannuation and Employer Obligations Usha Narain was introduced as ATO co-chair.

Integrity declaration

The ATO provided an update on the integrity declaration for stewardship groups. The integrity declaration is a risk management control that will reinforce high standards. It will be signed on an annual

basis and is designed to complement the group charter. The integrity declaration will be issued to members shortly.

Superannuation regulators

Treasury


The Treasury Laws Amendment (Measures for Consultation) Bill 2023: Non-arm's Length Expense Rules for Superannuation Funds has been introduced and is before the House of Representatives. Changes apply to income derived in the 2018–19 income year or a later, but not to expenses incurred or expected to have been incurred prior to 1 July 2018.


The Treasury Laws Amendment (2023 Measures No. 3) Bill 2023 has passed both Houses.

Treasury provided an overview of current and upcoming consultation:

- Consultation on the Better targeted superannuation concessions exposure draft will commence later in 2023.
- The Legislating the objective of superannuation consultation process is open until 29 September 2023.
- The Review of the regulatory framework for managed investment schemes consultation process is open until 29 September 2023.
- Roundtable discussions are underway regarding the Quality of advice review. The government expects to issue a final response later in 2023.
- The Treasurer has announced upcoming consultation on the retirement phase of superannuation. Consultation will explore the role of government and superannuation funds in retirement.

Australian Prudential Regulation Authority

The Australia Prudential Regulation Authority (APRA) [Corporate Plan 2023–24](#)  has been released. Key areas of focus are transparency, retirement strategy and outcomes, and cyber risks in superannuation.

The results of the [Annual superannuation performance test 2023](#)  have been released. APRA will perform supervisory follow-up with trustees on failing products.

APRA provided an overview of current policy reform activities:

- CPS 230 Operational risk management will commence from 1 July 2025. Consultation on the draft Prudential practice guide CPG 230 to accompany the standard will close on 13 October 2023.
- A letter has been sent to all APRA-regulated entities with a summary of findings from the CPS 511 Remuneration pre-implementation review.
- SPS 515 Strategic planning and member outcomes will be released shortly.
- Further consultation on SPS 114 Operational risk financial requirement will take place in early 2024.

Australian Securities and Investments Commission

The Australian Securities and Investments Commission (ASIC) [ASIC Corporate Plan 2023–27 \(PDF 4,445MB\)](#) [📄](#) has been published. It outlines the following agency priorities:

- Product design and distribution – Reduce the risk of harm to consumers of financial and credit products, caused by poor product design, distribution, and marketing, especially by driving compliance with new requirements.
- Sustainable finance – Support market integrity through proactive supervision and enforcement of governance, transparency, and disclosure standards in relation to sustainable finance.
- Retirement decision making – Protect consumers, especially as they plan and make decisions for retirement, with a focus on superannuation products, managed investments, and financial advice.
- Technology risk – Focus on the impacts of technology in financial markets and services, drive good cyber-risk and operational resilience practices, and act to address digitally enabled misconduct, including scams.

Supporting ASIC priorities are a set of core strategic projects. Projects on scams, sustainable finance practices, design and distribution obligations, cyber and operational resilience may be relevant to Superannuation Industry Stewardship Group members.

Superannuation-specific pieces of work include the choice products project, a project on improving the delivery of member services and looking at cold calling and superannuation switching. Work in relation to financial advice includes adviser registration.

Consultation on the Financial Accountability Regime (FAR) is about to commence. Guidance for approved deposit institutions will be issued shortly and it is recommended the broader superannuation industry review this advice. The FAR is designed to improve risk and governance cultures of all APRA-regulated entities by imposing a strengthened responsibility and accountability framework for those financial institutions.

Australian Financial Complaints Authority

The Australian Financial Complaints Authority (AFCA) has released high-level statistics for the 2022–23 year:

- 6,957 superannuation complaints were received
- superannuation complaints increased by 32%
- delays in insurance claim handling, including payment in life insurance and total and permanent disability claims within superannuation, increased by 136%
- complaints relating to death benefits have tripled.

Complaints for 2023–24 have already surpassed the forecast number. AFCA is allocating additional staff to respond to the surge and is proactively engaging with member funds to try and keep ahead of complaints.

Work on an IT transformation project which will streamline the case management system and communication with AFCA is ongoing. The launch is expected in late March 2024.

ATO

Superannuation guarantee (SG) integrity is a key focus area of the **ATO Corporate Plan 2023–24**. The ATO is expanding its use of data to identify behaviours that drive non-compliance. This will:

- create more transparency by providing a consolidated view of SG liabilities and payments for each employer–employee relationship

- optimise the use of data to help employers understand how and when payments got off track for their employees
- lead to the development of nudge correspondence to support employers to self-correct SG issues and keep track of obligations – this is expected to assist employers to lodge SGC statements when required.

Funds and employers should ensure superannuation reporting and payments are timely, accurate and complete.

Illegal early access estimate

Illegal early access (IEA) is a key risk in the self-managed superannuation fund (SMSF) system. IEA undermines the superannuation system and increases reliance on government-funded pensions.

The ATO is working on an estimate of IEA to measure the size of the risk and develop a better understanding of levels of compliance. The estimate will help identify drivers of non-compliance and provide a baseline to measure effectiveness of controls and risk treatments.

The methodology developed is like the tax gaps measure used by the ATO. Once in place, the IEA estimate will be measured annually to monitor trends over time.

There will be an in-confidence briefing for key industry groups in late 2023–early 2024, with a public release of information to follow.

Updates to ato.gov.au

The delivery of upgrades to ato.gov.au is expected in December 2023. Public beta testing is due to commence in early November. Members are encouraged to explore the updated website when it is available and provide feedback.

There will be changes to how superannuation information is presented, with navigation options updated to 3 audience segments:

- Individuals and families will contain superannuation information for individuals.
- Businesses and organisations will contain superannuation information for employers.

- Tax and super professionals will contain super information for professionals, including SMSF auditors and APRA-regulated funds.

Environmental scan

The Law Council of Australia highlighted tax issues relating to successor fund transfers (SFTs) and requested the ATO consider updating guidance for funds. Implications for members' transfer balance cap (TBC) were raised.

The ATO confirmed it understands the implications for members' TBC following an SFT and have been meeting with affected funds to discuss these implications. However, the ATO must administer the tax system in accordance with the law.

The Financial Services Council shared its 3 areas of focus:

- guidance on fund labelling for investment options
- the development of industry code for responding to scams
- customer service standards, with an upcoming focus on death benefits and how these should be treated.

Quality of member services

Member service quality is an area of concern and a source of complaints. In the 2022–23 financial year, AFCA received 6,957 superannuation complaints. Of these, 2,210 complaints related directly to an aspect of service quality including account administration errors, incorrect fees and costs, and the failure to follow member instructions. Complaints about delays in the payment of death benefits tripled in the last year. AFCA noted that a very small proportion of superannuation transactions each year result in a complaint. ACFA also noted that the figures do not include issues resolved by funds internally.

AFCA outlined some common issues that arise in complaints. Trustees should consider how these can be addressed to reduce the number of avoidable complaints:

- poor communications with members
- failure to raise eligibility issues in a timely manner
- poor processes for the collection of medical information

- unreasonable or onerous requests for information
- unreasonable expectations of members
- failure to have a dedicated claims consultant as a member's point of contact
- failure by the trustee to regularly engage with the insurer during the claims process.

Trustees noted the following challenges in handling complaints:

- resourcing pressures and a lack of skilled case officers to handle complex claims
- increased number of complaints and members proactively lodging complaints as they are more engaged with their superannuation
- SFT or fund mergers – systems integration issues.

Members discussed:

- concerns over vulnerable members receiving onerous requests for medical records, or other demands that can exacerbate medical conditions
- requests for excessive identification documents and how to balance this issue against the risk of fraud
- accessibility issues for rural/regional customers, or those without appropriate technology to upload documents (digital exclusion)
- the move from contact centres towards digital self-service platforms by some funds is proving to have higher success rates for being able to resolve issues internally and avoid escalation to AFCA
- issues around reportable deaths and pre-existing conditions affecting eligibility for benefit payment.

Members were encouraged to work on improving processes and optimising communication to improve the member experience.

Members were also encouraged to proactively identify issues around fund mergers/SFTs that can impact the quality of member services.

Payday Super

Treasury provided an update on the progress of Payday Super.

Consultation is expected to run for 4 weeks commencing in September

2023, with further consultation on exposure draft legislation planned for 2024.

Key issues include:

- the definition of 'Payday' – is payday when payment is made by an employer, or when the funds are received by the fund and attributed to a member account?
- the compliance system – can the current SG charge be redesigned to ensure intentional non-compliance is treated more seriously than inadvertent errors?
- data flow – what role can data validation play in preventing poor outcomes?

Most industry representatives supported considering the equity of the SG charge and the potential application of firmer penalties to employers, particularly when there has been deliberate non or underpayment of SG.

In preparing the key messages for the meeting, several members clarified that their support of the Payday Super measure does not indicate support for any weakening of the compliance regime.

Members asked if technological infrastructure will be considered in the consultation.

Improving data quality

The ATO provided an update on the importance of data quality and accuracy.

Timely, accurate and complete reporting by employers and super funds is critical to the tax, super and social security systems. Under-reporting, and the underpayment of PAYG withholding and SG, results in an uneven playing field. It threatens the integrity of the tax and super system, government revenue, and peoples' retirement savings.

The ATO is working to promote good governance for employers and improve the processes employers have in place for managing data. This will reduce costs for employers in correcting errors and avoid unnecessary contact and reviews.

Engagement and education

The ATO will consult with various stakeholders to determine underlying causes of poor data quality and will develop strategies to improve reporting.

Nudge and remind

The ATO will nudge and prompt employers where information appears to be incorrect or overdue.

Firmer action

The ATO will undertake range of tailored activities designed to improve future compliance and correct poor habits or lack of diligence. This will include reviews and audits, payroll governance reviews, increased application of penalties, and prosecution.

Members noted that there may be opportunities to learn from the experiences of other countries in improving data quality.

Data quality for superannuation funds will be discussed at a future meeting.

Supporting retirement income

The government supports superannuation through concessions, but also provides the pension. As superannuation balances grow, the proportion of public expenditure on pensions decreases, highlighting the benefits of superannuation.

Members discussed the implications of default minimum drawdown rates.

- Members noted the need to look at the issue longitudinally rather than in the short term.
- Members questioned whether minimum drawdown rates could be considered in age ranges.
- Members commented people will tend to draw down on their balance more in times of financial distress, that is, the global financial crisis or COVID-19.
- Treasury confirmed that just over 50% of people will follow the minimum drawdown rates.

- Members noted a study into how rules around drawdowns are perceived and understood will help change behaviour.

Treasury confirmed consultation on tax concessions is planned which will include reviewing minimum drawdown rates. Treasury noted that as superannuation balances increase, people are looking for a longevity solution.

Attendees

Attendees list

Organisation	Attendee
ATO	Usha Narain (Co-chair), Superannuation and Employer Obligations
ATO	Larissa Evans, Superannuation and Employer Obligations
ATO	Peta Lonergan, Superannuation and Employer Obligations
Association of Super Funds Australia	Glen McCrea
Australian Financial Complaints Authority	Heather Gray
Australian Prudential Regulation Authority	Carolyn Morris
Australian Prudential Regulation Authority	Katrina Ellis
Australian Securities and Investments Commission	Jane Eccleston
Australian Securities and Investments Commission	Jessica Spence

Business Council of Australia	Stephen Kirchner
Chartered Accountants Australia and New Zealand	Tony Negline
Council on the Ageing Australia	Patricia Sparrow
Financial Services Council	Spiro Premetis
Industry Super Australia	Ella Cebon
Law Council of Australia	Michael Mathieson
Link Group	Deborah Schembri
Mercer	David Knox (Co-chair)
Super Consumers Australia	Xavier O'Halloran
The Tax Institute	Phil Broderick
Treasury	Lynn Kelly

Guest Attendees

Guest attendees

Organisation	Attendee
ATO	Kylie White, Superannuation and Employer Obligations
ATO	Naomi Westwood, Superannuation and Employer Obligations
Australian Prudential Regulatory Authority	Emily Langford

Australian Institute of Superannuation Trustees	David Haynes
SMSF Association	Mary Simmons
Treasury	Adam Hawkins
Treasury	Anthony Hynes
Treasury	James Thomson
Treasury	Matthew Laing
Treasury	Sam Pelly
Treasury	Wendy Hau

Apologies

Apologies list

Organisation	Member
ATO	Emma Rosenzweig (Co-chair), Superannuation and Employer Obligations
Australian Institute of Superannuation Trustees	Melissa Birks
Law Council of Australia	Maged Girgis
SMSF Association	Peter Burgess

SISG key messages 8 November 2023

Key topics discussed at the Superannuation Industry Stewardship Group meeting 8 November 2023.

Last updated 3 January 2024

On this page

[Welcome and introductions](#)

[Assistant Treasurer and Minister for Financial Services discussion](#)

[Superannuation regulators](#)

[Fraud and security](#)

[Member services](#)

[Data quality for super funds](#)

[Mercer CFA Institute Global Pension Index](#)

[Review of SISG 2023](#)

[Attendees](#)

[Guest Attendees](#)

[Apologies](#)

Welcome and introductions

Emma Rosenzweig, Deputy Commissioner, ATO, opened the meeting with an Acknowledgment of Country. The group welcomed new member Melissa Birks, representing Super Members Council of Australia, and thanked departing member Ella Cebon, representing Industry Super Australia.

Assistant Treasurer and Minister for Financial Services discussion

The Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, discussed the government's superannuation policy and priorities, and responded to questions.

Superannuation regulators

ATO

Super guarantee annual employer compliance results

The ATO takes non-compliance with super guarantee (SG) obligations seriously. The **Super guarantee – annual employer compliance results** have been released, highlighting key statistics and analysis for SG employer obligations, including ATO compliance actions undertaken for the 2022–23 financial year.

Super health check

The **Super health check**, launched in April 2023 and provides 5 basic checks that people can do to become more in control of their super:

- check your contact details
- check your super balance and employer contributions
- check for lost and unclaimed super
- check if you have multiple super accounts and consider consolidating
- check your nominated beneficiary.

The ATO is currently undertaking consultation with select stakeholders to review and refine the super health check.

Updates to ATO website

The ATO website is being updated to a modern website platform. Public Beta has commenced, and users can access the Beta website by clicking the link in the banner at the top of the current landing page of **ato.gov.au**. The updated ato.gov.au will become the default website later in November.

Australian Prudential Regulation Authority

Australian Prudential Regulation Authority (APRA) confirmed its priorities and discussed the key challenges facing industry in the next

12 months, including:

- system-wide risks, including the investment governance framework standard
- operational resilience, including cyber security
- improving retirement outcomes.

APRA continues to focus on transparency in super with the publication of the annual superannuation performance test and heatmap.

Key policy updates:

- Consultation on the proposed enhancements to Prudential Standard SPS 515 Strategic Planning and Member Outcomes has commenced.
- Financial resilience for risk events will be subject to early stage consultation in late 2023–early 2024. This is linked to the recent amendments to Prudential Standard CPS 230 Operational Risk Management.

Australian Financial Complaints Authority

Australian Financial Complaints Authority (AFCA) noted that complaint volumes for 2023–24 are ahead of the forecast and 2022–23 results from the same time last year. AFCA is engaging additional staff to assist in meeting increased complaint numbers.

Key super complaint statistics show:

- delays in complaint handling represent 1 in 4 super complaints
- service quality issues represent 1 in 3 complaints, including account administration, incorrect application of fees and charges, and other delays
- there are instances of super fund staff not being fully trained or lacking appropriate skills to handle complex issues
- clusters of complaints have been received in relation to administration issues, such as successor fund transfers and changes to IT systems and member portals.

AFCA is constantly monitoring for systemic issues.

Australian Securities and Investments Commission

Australian Security Investments Commission (ASIC) continues to address scam activity. Upcoming work will assess trustees' preparedness to protect against scams. This is an expansion of work undertaken earlier this year in relation to banks ([Report 761 Scam prevention, detection and response by the four major banks](#) [↗](#)).

Member services remain a focus. ASIC has commenced a member services review, with a focus on death benefit claims handling.

ASIC recently commenced civil penalty proceedings in the Federal Court alleging Telstra Super failed to comply with its internal dispute resolution obligations.

Other ASIC updates include:

- [REP 775 Insights from the reportable situations regime: July 2022 to June 2023](#) [↗](#) has been published, with findings echoing the 2021–22 results.
- The [Inventory of superannuation trustee transparency and disclosure obligations](#) [↗](#) (Information Sheet 278) has been updated.
- The results of the choice products distribution review are expected to be published early next year.

Treasury

Treasury provided an update on current activity and consultation:

- The Treasury Laws Amendment (Measures for Consultation) Bill 2023: Non-arm's Length Expense Rules for Superannuation Funds is expected before Parliament shortly.
- A recent policy announcement regarding amendments to the transfer balance cap will prevent members from being adversely impacted by super fund mergers.
- Consultation on the Sustainable Finance Strategy is open.

Treasury also provided an update on consultations that have closed recently:

- Submissions on Securing Australians' superannuation are being reviewed and will be provided to government.
- The government intends to introduce the Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill

2023 to Parliament before the end of the year. The group discussed the treatment of debt and applicable interest under this system, noting treatment would remain consistent with Division 293.

Discussion also noted that any sale of assets to meet a Division 296 liability would see standard application of capital gains tax. The Financial Services Council disapproves of this approach.

- Consultation on the review of the regulatory framework for managed investment schemes has concluded, with findings to be reported to the government in early 2024.

Treasury advised of upcoming consultation on the retirement income phase. Navigating the retirement income system is complex and many members need to combine multiple income sources as they enter retirement. Many will take a cautious approach when entering retirement and not draw down too much on their super. The group discussed decision-making in retirement; considered the impact of aged care costs on super; and noted the need to encourage members to engage with their super.

Environmental scan

Super Consumers Australia

Super Consumers Australia (SCA) is an organisation that advocates, advances, and protects low- and middle-income people in Australia's superannuation system. SCA's strategic priorities include:

- improving member outcomes
- making retirement planning easier
- improving insurance in super.

SCA has upcoming research on detangling the drawdown, insurance claims handling review, and super fund expenditure review.

Self-managed superannuation fund Association

The self-managed super fund (SMSF) Association noted the SMSF sector is growing at a steady rate, with a surge of new registrations following COVID-19. The younger demographic is the fastest growing segment for SMSFs.

There are currently over 600,000 SMSFs in Australia, representing under a third of the total assets under management in super.

Illegal Early Release (IER) continues to be a concern. There is a need to ensure people understand the consequences of IER.

Fraud and security

The group discussed how both regulators and industry are continuing to progress the opportunities identified in the Fraud and Security Working Group (FSWG):

- there has been a positive response from industry in considering the outcomes and recommendations arising from the FSWG
- processes are underway to implement pragmatic approaches to strengthen controls across the super system
- improved intelligence and information sharing is occurring across industry and regulators
- concerns were raised about inconsistent approaches across the sector and the speed of progress on some initiatives.

This topic will return to the Superannuation Industry Stewardship Group (SISG) in mid-2024 for an update.

Member services

ASIC provided an update on their member services review. This is an area of growing concern, as highlighted by the Minister for Financial Services.

Member services refers to the range of ways super funds engage with their members, including interactions through contact centres, mobile applications, and written communications. Super funds have an obligation to make services accessible to their members, whilst balancing security concerns.

There is no single big-ticket item that will improve the quality of member services; rather, there are many components that need to be balanced. AFCA has suggested focus areas for trustees to improve member services and reduce the volume of member complaints.

Discussion with industry noted the following:

- The Financial Services Council conducted a survey which found that applying outcomes-focused customer service models, where staff are empowered to quickly escalate issues, has led to improved outcomes for members. For example, having a customer service representative move with a member as the call is transferred from department to department ensures the member is supported until the call is concluded.
- Delayed payment of death benefits and insurance claims continues to be an issue. It was noted that binding death benefit nominations can result in a faster resolution for the member.
- There is a need for member education about binding death benefit nominations, including the provision of clear information about how these nominations work, and the benefit for the member.
- ASFA suggested greater accessibility, customer visibility and understanding of the complaints process, will improve complaints handling. For example, a customer portal enabling a member to log in and see the status of their complaint.
- SCA noted super is a low priority for a lot of people. Expecting members to use customer portals may not work as well as it does in other sectors. Research indicates customer service levels are not a common reason for people to switch funds.
- There are current resource pressures on the labour market, which is making it difficult for funds to source appropriately skilled staff.

ASIC concluded that whilst there are competing priorities for super funds, member services need to remain a key focus.

Data quality for super funds

The ATO is focused on improving member reporting, as this data is fundamental to the operation of the super system. The data reported by super funds is used by over 20 products within the ATO, including to correctly calculate individual contribution caps, for employer SG compliance, and the display of member information in ATO Online. As new policy measures such as Payday Super are implemented, the importance of quality data will become more critical.

To build on work to date and achieve continuous improvement as the member reporting system matures, the ATO will work with the super

industry over the next 6–12 months on improving the timeliness, completeness, and accuracy of data reported to and held by the ATO. This work will focus on 2 key outcomes:

- increasing the profile and understanding of importance of quality reporting for member outcomes
- addressing known data quality issues to improve the quality in data holdings.

The ATO will continue to engage with the large fund industry to identify further work required to improve overall data quality.

There is no additional data reporting or new data fields as part of this work. Rather, the focus is on optimising the quality of data that is received and processed.

APRA noted work is underway on an information paper that will detail data governance and data risk management across APRA regulated funds, this will be linked to CPS230.

Mercer CFA Institute Global Pension Index

Mercer summarised highlights from the Mercer CFA Institute Global Pension Index 2023 (the Index).

The Index benchmarks 47 retirement income systems around the world, based on adequacy, sustainability, and integrity. The report this year also included a chapter on Artificial Intelligence and its potential to improve pension and social security systems and provide people a better quality of life in retirement.

Australia rated 5th place with a B+ grade. Only 4 countries received an A grade in 2023, the Netherlands, Iceland, Denmark, and Israel.

There was discussion with group members about what Australia can do to reach an A grade, including:

- introducing a requirement to take a retirement income stream
- requiring benefit projections on annual statements
- requiring unisex annuities
- introducing SG on paid parental leave
- introducing a government super contribution for carers- Council on the Aging Australia noted this should apply for carers of aged

persons, not just childcare.

Review of SISG 2023

The group discussed the operation of the SISG including achievements, forward priorities, coverage of membership and meeting processes. Feedback included:

- information provided within the group is useful and is shared with group members' organisations
- the strategic map is of value and should continue to be provided
- the creation of the Fraud Security Working Group was effective in addressing a known issue- the creation of short-term working groups allows for the exploration of hot issues, for example member services
- presentations on upcoming consultations are helpful to assist with planning
- valuable insights are derived from industry members in the environmental scan and commentary on agenda items
- there is adequate diversity in the group's members, with potential to consider bringing other organisations for particular topics, for example Australian Transaction Reports and Analysis Centre
- there is adequate opportunity to nominate agenda item suggestions- Emma Rosenzweig stressed the importance of group members' contribution to agenda items
- the combination of online and face-to-face meetings is working well
- confidentiality and risks to the system need to be managed effectively
- group members would like senior leaders to lead presentations on policy discussions
- group members raised that the former National Tax Liaison Group super sub-committee was a good place to discuss technical issues and that closing this has left a gap- Emma Rosenzweig will report back to the group on the status of sub committees.

Emma Rosenzweig advised that the group is due to undertake a membership refresh before the end of the year. The ATO will write to

member organisations requesting nominations for appropriate members or to confirm their existing representative.

Attendees

Attendees list

Organisation	Member
ATO	Emma Rosenzweig (Co-chair), Superannuation and Employer Obligations
ATO	Larissa Evans, Superannuation and Employer Obligations
Association of Super Funds Australia	Glen McCrea
Australian Financial Complaints Authority	Heather Gray
Australian Securities and Investments Commission	Jane Eccleston
Australian Securities and Investments Commission	Jessica Spence
Business Council of Australia	Stephen Kirchner
Council on the Ageing Australia	Patricia Sparrow
Financial Services Council	Spiro Premetis
Link Group	Deborah Schembri
Mercer	David Knox (Co-chair)
SMSF Association	Peter Burgess

Super Consumers Australia	Xavier O'Halloran
Super Members Council of Australia	Melissa Birks
The Tax Institute	Phil Broderick

Guest Attendees

Guest attendees

Organisation	Attendee
ATO	Jeremy Hirschhorn, ATO Executive
ATO	Kylie White, Superannuation and Employer Obligations
ATO	Malcolm Allen, Superannuation and Employer Obligations
ATO	Tania Yeowart, Superannuation and Employer Obligations
Australian Prudential Regulatory Authority	Carmen Beverley-Smith
Australian Prudential Regulatory Authority	Claire Mitchell
Australian Prudential Regulatory Authority	Mel Grantham
Australian Prudential Regulatory Authority	Mike Cornwell
Australian Prudential Regulatory Authority	Sarah Nicholson
Australian Prudential	Sophia Hohnen

Regulatory Authority	
Australian Securities and Investments Commission	Susan Wieczkiewicz
Chartered Accountants Australia and New Zealand	Nelunika Anthony
Commonwealth Government	The Hon Stephen Jones, MP
Treasury	Adam Hawkins
Treasury	Brenton Philip
Treasury	Brian Healey
Treasury	James Thomson
Treasury	Roger Hassan

Apologies

Apologies list

Organisation	Member
ATO	Peta Lonergan, Superannuation and Employer Obligations
Australian Prudential Regulation Authority	Carolyn Morris
Australian Prudential Regulation Authority	Katrina Ellis
Chartered Accountants Australia and New Zealand	Tony Negline
Law Council of Australia	Maged Girgis
Law Council of Australia	Michael Mathieson

Treasury	Lynn Kelly
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Superannuation Industry Stewardship Group key messages 7 June 2023

Key messages from the Superannuation Industry
Stewardship Group meeting 7 June 2023.

Last updated 3 August 2023

On this page

[Welcome and Introductions](#)

[Superannuation Regulators Update](#)

[Attendees](#)

[Guest attendees](#)

[Apologies](#)

Key messages from the Superannuation Industry Stewardship Group
meeting 7 June 2023




Welcome and Introductions

The Chair opened the meeting, welcomed members, and reviewed
apologies. No conflicts of interest were declared.

Superannuation Regulators Update

Treasury

Treasury noted the following areas of focus/consultation relating to 2023 Budget announcements:


- [Better Targeted Superannuation Concessions](#)  –The government announced that there will be a reduction in superannuation tax concessions available to individuals whose total superannuation balances exceed \$3 million. Exposure draft legislation is expected in the coming months, this will provide clarity regarding how the liability will work for individuals.
- [Payday Super](#)  – This announcement will require super to be paid at the same time as salary and wages from 1 July 2026. Treasury and ATO will consult closely with industry and stakeholders.
- Non arm's length Expenditure Rules - This measure will amend the non-arm's length income (NALI) provisions which apply to the expenditure incurred by super funds. This measure is open for [consultation](#)  from 19 June 2023 to 7 July 2023.

Australian Prudential Regulation Authority

Supervisory matters include:

- Retirement Income Thematic review - Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commissioner (ASIC) are undertaking a joint - implementation review looking at a sample of 15 trustees' retirement income strategies. Key questions included in the review include how trustees are assisting disengaged members, how a successful product is measured, and how trustees are integrating retirement income strategies into their business planning cycle.
- Performance Test – to be administered following finalisation of regulations.
- Multi-factor Authentication (MFA) – On 26 May 2023, APRA issued a letter to all APRA regulated entities advising MFA is one of the most effective controls an organisation can implement to prevent an adversary from gaining access to a device or network and accessing sensitive information.

Policy reforms and consultation activities include:

- Investment governance SPG 530 – in final stages of being updated post consultation, looking to release this quarter
- [Operational Risk Management CPS 230](#)  – following feedback received during consultation, APRA intends to move the effective date of the new standard to 1 July 2025. Transitional arrangements apply for pre-existing contractual arrangements with service providers, with the requirements in the standard applying from the earlier of the next contract renewal date or 1 July 2026.
- Recovery, exit and resolution planning CPS 190/900 – guidance has now issued, but transfer planning reforms will continue to assist trustees with implementation.
- Strategic objectives and member outcomes SPS 515 – Consultation upcoming on changes to guidance, including transfer planning and fund expenditure.
- Resources for risk events SPS 114 – a wide range of feedback was received from original proposals, with further consultation planned for later this year.
- Remuneration disclosures CPS 511 – to be released mid-year. Working closely with Treasury and ASIC to ensure alignment with other disclosure related reforms and requirements.

Super Data Transformation






APRA released a Minor Amendments response paper on 3 March 2023 which included removal of best endeavours for expenses and asset allocation, updates to reporting due dates and reduction of frequency of ad-hoc reporting.

APRA will delay formal consultation on proposed reporting standards for investments and Registrable superannuation entity (RSE) Licensee and RSE profile until November 2023, incorporating a request from industry to avoid consultation on reporting proposals over the peak year-end reporting period.

For further updates on the Super Data Transformation refer to [APRA](#) .

ASIC

Key points:

- Sustainable finance is a priority for ASIC, with focus on greenwashing and sustainable finance misconduct.
- [Report 761 – Scam prevention, detection and response by the four major banks](#)  was released in April 2023. Members are encouraged to read this report and reflect on how these learnings can be applied to the super industry.
- In April 2023, ASIC released Information Sheet 278 [Inventory of superannuation trustee transparency and disclosure obligations](#) 
- [RG 78 Breach reporting by AFS licensees and credit licensees](#)  – Updated guidance on reportable situations was released in April 2023.
- The Financial Services and Credit Panel (FSCP) has commenced, with details of matters available on the [FSCP Outcomes Register](#) .
- A joint APRA/ASIC Superannuation [CEO Roundtable](#)  was hosted on 29 May 2023.

Australian Financial Complaints Authority

Australian Financial Complaints Authority (AFCA) provided the following update on Superannuation complaints statistics:

- For the period July 2023 to May 2023, 6,112 superannuation complaints were received, representing 7% of total complaints to AFCA for this period.
- 41% of these complaints were resolved at registration and referral, showing funds are being proactive in their engagement with complainants.
- One in four complaints relates to a delay in complaint handling, increasing 200% from May 2022. This is now a watch area for AFCA.
- A majority of complaints received relate to issues for superannuation account products, including duplicate accounts, slow rollover process, delayed pensions or wrong names on accounts (62% of total complaints). This is followed by complaints around Total and Permanent Disability (TPD) and Income Protection (IP) claims (28%), and Death Benefit complaints (9%).

AFCA have noted an increase in scams within the superannuation market, with this increase largely attributed to fraudulent behaviour by

family members or financial advisors. There have been increases in hacking of personal email accounts with bank account details then being modified.

ATO

From 1 July 2022, funds have been able to accept contributions without having to determine whether an individual aged between 67 and 75 satisfies the work test. However, the work test must be satisfied if individuals want to claim a personal super contribution deduction. This remains the case despite the recent identification of an unintended error in the law. The Commissioner issued a legislative instrument using his remedial power to address this issue. The legislative instrument will come into effect later in 2023 when the Parliamentary disallowance period expires.

The legislative instrument ensures contributions made after 1 July 2022, by individuals who are employees under the expanded definition of employee in section 15A of the *Superannuation Industry (Supervision) Act 1993* or section 19 of the *Retirement Savings Accounts Act 1997*, remain eligible to claim a deduction. A communication issued to funds reminding them that upon receiving a valid notice of intent to deduct contributions from a member, an acknowledgment of the notice must be provided to the member without delay.

Other updates include:


- The **Superannuation Standard Choice Form** and web content has been updated following consultation. The new form can be completed digitally and features improved readability for users.
- The issue of confidentiality and integrity remains a focus for all consultation arrangements for the ATO. There is a focus on transparency within our consultations, with clear definitions in place when confidential information is shared.
- **ato.gov.au** is being upgraded to a new platform with delivery of a new website expected in early December 2023. This new design is informed by user needs and business requirements and will make it easier for clients to find and act on the information provided.

Environmental scan

Industry members noted the following:

- More support is required for superannuation members as they transition into retirement phase:
 - How can members connect with the right retirement products?
 - How can funds connect with disengaged members?
 - What happens if a members retirement plan changes, due to illness, relationship breakdown or death of a loved one?
- This has been highlighted as a potential focus item for a future meeting of the SISG.
- There is conversation around how to make superannuation fair for everyone, including parents on paid parental leave, gig workers, and workers under 18 years of age working less than 30 hours per week.
- The Tax Institute (TTI) is an organisation comprising individual members, lawyers and regulators. TTI make submissions across the whole of tax system, and have released a paper calling for reform of Australia's tax system, including superannuation, titled The Case for Change.
- Electronic signatures need to become more common – some forms still require trustees to provide a physical signature.
- The role of Artificial Intelligence (AI) such as ChatGPT needs to be examined more closely for its implication in providing misleading financial advice.

Objective of Super

The [Objective of Super](#)  paper was open for a 6 week consultation in early 2023.

The Government's proposed objective of superannuation is: "to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way".

The following was noted in discussion:

- Industry stakeholders were broadly in support of the proposed Objective of Super.
- The Objective of Super will not change trustee obligations, including the Sole Purpose Test. The provision of insurance in superannuation

is consistent with the current wording, even without an explicit reference.

Explanatory materials to a proposed bill would provide further guidance on the intent behind the Objective of Super. The Government has been briefed on the outcome of the initial consultation, and there will be consultation on the exposure draft and explanatory materials before legislation is introduced to Parliament.

Superannuation issues for First Nations people


Australian Institute of Superannuation Trustees (AIST) talked members through the issues experienced by First Nations people interacting with the super system and potential strategies to close the super gap.


In Australia, there are 984,000 Indigenous and Torres Strait Islander people. It is recognised that the following can be experienced by this group:

- Lower super balances
- Life expectancy differences and chronic illness
- Lower literacy and financial literacy rates
- Less opportunity to benefit from compulsory retirement savings
- Difficulties accessing death benefits due to non-recognition of traditional kinship structures
- Challenges with traditional identification – change and misspelling of names, ID documents
- Lack of access to computers and internet

AIST is involved in multiple initiatives to advocate for First Nations people and address a range of issues faced in relation to superannuation:

- *Indigenous Superannuation Working Group (ISWG)*: The ISWG was established in 2013, with a membership including industry bodies, administrators, superannuation funds and representation from the First Nations Foundation and Financial Counsellors Australia (FCA). Initiatives from the working group include:
 - Financial Counselling Australia's online register provides super funds with access to FCA's online register

- Collaboration with the First Nations Foundation to support critical outreach programs. The Big Super Day Out has helped 1135 First Australians with their superannuation queries and located \$14.5 million in lost superannuation for Indigenous Australians
- Working with AUSTRAC to develop [guidance](#)  to assist financial service providers when interacting with customer groups who don't have standard forms of identification.
- *Indigenous Super Summits*: Brings industry stakeholders together to build awareness and stimulate discussion on key superannuation issues experienced by First Nations People. At the Summit, Indigenous community members shared experiences, highlighting challenges and frustrations faced with regards to superannuation.

[ASIC's Indigenous Financial Services Framework](#)  and its Key Learnings inform ASIC's work and priorities relating to First Nations consumers. These Key Learnings were developed through a series of consultations held by ASIC:

- First Nations peoples had unique, established economies before colonization. These economies continue today, and should be understood, respected and maintained.
- First Nations peoples have been prohibited and excluded from participating in the Australian Financial system.
- Financial wellbeing affects all aspects of First Nations peoples' lives.
- First Nations peoples have many different versions of financial success. This needs to be accepted and encouraged. All First Nations peoples should be empowered to achieve their vision of success.

Superannuation funds are encouraged to read the Framework and embed these principles within their trustee processes, committing to improve superannuation outcomes for First Nations people.

The following highlights practical examples of factors for funds to improve superannuation outcomes for First Nations people:

- Cooperative approaches between Indigenous people, government and the sector
 - Make sure the Indigenous voice is heard and part of the journey

- Data driven solutions and processes that escalate in a culturally appropriate way
- Ongoing education and engagement of the superannuation sector.
Funds can:
 - Ask if a member identifies as Aboriginal or Torres Strait Islander in order to target services and support
 - Have dedicated phone lines for First Nations members
 - Engage an interpreter – there are over 100 indigenous languages
 - Use the guidance provided by AUSTRAC when members are unable to provide traditional identification documents
 - Improve trustee processes and reduce barriers for First Nations people to access and engage with their super
 - Improve training within funds around cultural awareness and competency training for interactions with indigenous members
 - Have a reconciliation action plan in place
 - Participate in working groups and events to promote improvement of superannuation outcomes for First Nations Peoples.


Fraud and cyber security

The findings of the Fraud and Security Working Group (FSWG) were presented to the Superannuation Industry Stewardship Group (SISG). Key points include:

- The FSWG commenced Phase 2 of the work program in March 2023, undertaking a detailed assessment of opportunities identified for improved security controls.
- Both regulators and industry are encouraged to continue conversations on how to improve security controls, and report back to the SISG on progress.
- The Attorney-General's Department is undertaking a public consultation on Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regime. Members were encouraged to make submissions to this consultation.

- An agenda item will be included in the SISG in November 2023 for members to report back with progress against the opportunities identified. Key industry associations to canvass members on what progress has been made and where further improvements can be made.
- The SISG confirmed that the FSWG had achieved its intent of developing a shared understanding of the threats applicable at the different stages of the superannuation account lifecycle; identifying and prioritising a pool of opportunities to address risks and uplift controls; and agreeing on immediate next steps to pursue priority opportunities. Based on this, the group is approved to be dissolved.

Insurance in Super

ASIC provided an overview of [REP 760 Insurance in Superannuation: Industry progress on delivering better outcomes for members](#) . Key recommendations for superannuation trustees include:

- Use of data to monitor outcomes from insurance and proactively identify how to better meet members' needs and provide value for money.
- Design and deliver claims processes with a focus on member experience.
- Embed a process for continuously improving member communications and processes.
- Ensure there are robust systems, processes and controls to effectively administer insurance arrangements.

Attendees

Attendees list

Organisation	Attendee
ATO	Emma Rosenzweig (Co-chair), Superannuation and Employer Obligations
ATO	Larissa Evans, Superannuation and

	Employer Obligations
ATO	Michelle Allen, Superannuation and Employer Obligations
ATO	Peta Lonergan, Superannuation & Employer Obligations
Association of Super Funds Australia	Glen McCrea
Australian Financial Complaints Authority	Heather Gray
Australian Prudential Regulation Authority	Carolyn Morris
Australian Prudential Regulation Authority	Katrina Ellis
Australian Securities & Investments Commission	Jane Eccleston
Australian Securities & Investments Commission	Jessica Spence
Business Council of Australia	Stephen Kirchner
Council on the Ageing (COTA) Australia	Patricia Sparrow
Industry Super Australia	Ella Cebon
Law Council of Australia	Maged Girgis
Link Group	Deborah Schembri
Mercer	David Knox (Co-chair)
SMSF Association	Peter Burgess
Super Consumers Australia	Xavier O'Halloran

The Tax Institute	Phil Broderick
Treasury	Lynn Kelly
Treasury	Luke Spear

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Alastair Ramsay, Superannuation & Employer Obligations
ATO	Kylie White, Superannuation & Employer Obligations
ATO	Malcolm Allen, Superannuation & Employer Obligations
ATO	Shane Moore, Superannuation & Employer Obligations
Australian Securities & Investments Commission	Brad Ruting
Australian Institute of Superannuation Trustees	Eva Scheerlinck
Australian Institute of Superannuation Trustees	Kate Brown
Australian Securities & Investments Commission	Nathan Boyle
Australian Securities & Investments Commission	Sacha Vidler
Chartered Accountants Australia & New Zealand	Nelunika Anthony

Financial Services Council	Aidan Nguyen
Treasury	Adam Hawkins
Treasury	James Thomson
Treasury	Katarina Trinh

Apologies

Apologies list

Organisation	Member
Australian Institute of Superannuation Trustees	Melissa Birks
Chartered Accountants Australia & New Zealand	Tony Negline
Financial Services Council	Spiro Premetis

QC 73086

Superannuation Industry Stewardship Group key messages 9 March 2023

Key topics discussed at the Superannuation Industry Stewardship Group meeting 9 March 2023.

Last updated 2 May 2023

On this page

[Welcome and introductions](#)

[Integrity declaration](#)

[Superannuation regulator updates](#)

[Environmental scan](#)

[Attendees](#)

[Guest attendees](#)

[Apologies](#)

Welcome and introductions

The Chair opened the meeting, welcomed members, and reviewed apologies. No conflicts of interest were declared.

Integrity declaration


The ATO led a discussion regarding the introduction of an integrity declaration for members of all stewardship groups. The purpose of the proposed integrity declaration is for members to declare a trusted position within the stewardship group and confirm the obligation to act responsibly in this capacity. This annual declaration would be a reminder for members to ensure they keep integrity in focus.

Confidential consultation, while infrequent in the Superannuation Industry Stewardship Group (SISG), requires consideration as to how this can be appropriately managed. The ATO will continue discussions on how to approach this for the SISG and will consult further out of session on this matter.

Superannuation regulator updates

Treasury

Treasury noted the following areas of focus:

- [Legislating the objective of superannuation](#)  – consultation has commenced and remains open until 31 March 2023.
- Government has announced intention to reduce tax concessions for super balances greater than \$3 million. Treasury will release a consultation paper on the implementation of this policy in the

coming weeks. Roundtable discussions, bi-lateral conversations and working groups are expected.



- Non-arm's length income consultation closed on 21 February 2023 with submissions under consideration and recommendations to be provided to the minister, The Hon Stephen Jones.
- Your Future, Your Super review has been completed and advice provided to government.
- Minister Jones announced a review of Managed Investment Schemes on 8 March 2023. Treasury is expecting to release a consultation paper in mid – 2023.
- Quality of Advice Review has been provided to government. Treasury are assisting with the government response to the review, as well as making recommendations to how this will work in practice.

Australian Securities and Investments Commission

Following the release of the Australian Securities and Investment Commission (ASIC) Corporate Plan, work has commenced on the first phase, transparency – driving better transparency in industry. A new information sheet is under development, which will provide an overview of transparency obligations for superannuation trustees. Targeted consultation has been undertaken.

Other areas of focus include greenwashing, choice products surveillance, the retirement income covenant, and insurance in super. Updates are currently underway to guidelines and forms for reportable situations.





Recent media and content releases include:

- SISG members are encouraged to read the article ASIC is watching superannuation funds' advertising, published in the January edition of the Association of Superannuation Funds of Australia (ASFA) magazine. This article notes ASIC's observations of superannuation advertising.
- [ASIC's Indigenous Financial Services Framework](#)  has been released, this will be discussed further at a future SISG meeting.
- [REP 758 Good practice for handling whistle-blower disclosures](#)  report released on 2 March 2023.

Australian Prudential Regulatory Authority

Key policy objectives over the next 12–18 months includes the objective to modernise the prudential architecture, a core strategic initiative to ensure the framework is clearer and simpler. Work is underway by Australian Prudential Regulatory Authority (APRA) to ensure all standards are aligned and are embedded with SPS 515 which will become the centre of the prudential framework. Consultation is planned for the second half of the year on the draft standard, relevant guidance, and materials.

Current and future consultation activity includes:

- [Superannuation transfer planning: Proposed enhancements](#)  closes on 10 March 2023. This paper recommends trustees enhance planning to ensure improved member outcomes when a transfer is required.
- [Prudential Practice Guide - Draft SPG 530 Investment Governance](#)  is open for consultation until 17 March 2023.
- [Strengthening Financial Resilience in Superannuation PDF 0.97MB](#)  (replacing SPS 114) consultation is open until 17 March 2023.
- [Draft Prudential Standard CPS 230 Operational Risk Management PDF 400KB](#)  is being finalised, with consultation on associated guidance to commence in the first half of 2023.

Cross industry work is underway in relation to entities not meeting Information Security Prudential Standard CPS 234.

Work continues with ASIC on the implementation of the Retirement Income Covenant. A review of a sample of trustee's retirement income strategies is underway, with a report to be released mid-year on the findings of this work.

APRA has published [Supervision and policy priorities timelines](#) .

Australian Financial Complaints Authority

From the 1 July 2022 to February 2023, approximately 1,800 superannuation complaints have been received by Australian Financial Complaints Authority (AFCA). A majority of these relate to members' superannuation accounts, for example, complaints about fees, charges, incorrect insurance, rollovers. The remaining complaints relate to total permanent disability claims, oncome protection, and

death complaints. These levels are consistent with previous reporting trends.




A prevalent issue AFCA notes is complaints around delays in complaint handling, which represents 37% of current claims.

There has been an increasing percentage of complaints resolved at complaint registration, in February 2023 this has reached 39%.

The AFCA member forum will be held on 16–17 March 2023, with a session on superannuation at 11:00 am.

AFCA are undertaking an IT transformation which will have impacts to AFCA members with the introduction of a new member portal.

There have been some new resources added to AFCA's website.

- [The AFCA Approach to superannuation fees and charges PDF 196KB](#) 
- [Factsheet – Systemic issues process](#) 
- [How to make a complaint – Easy English PDF 1.53MB](#) 

ATO

The ATO concluded public consultation of the draft Tax Ruling and Practical Compliance Guide for worker classification in February 2023. The feedback received is under consideration, and work continues towards issuing final version of these products.

There has been data published recently that may be of interest to members:

- **Self-managed super funds: A statistical overview 2020–2021**
- **Lost and unclaimed superannuation highlights** there is currently \$16 billion in lost and unclaimed superannuation
- **Compassionate release of super** provides data on accessing early release of super on compassionate grounds, including how many applications received and approved in total and subcategories.

Environmental scan

Members provided updates on emerging priorities and issues for their market, including:

- ASFA noted that they are focussing on ensuring people receive their correct superannuation guarantee (SG) entitlements and the importance of taking strong action when it is identified that these entitlements are not being met. Transparency is key.
- The purpose of super is a hot topic – superannuation is for retirement, not early release or for housing. More work is required on ensuring equity in the system, that is, women retiring with 23% less in retirement savings than men.
- Fraud continues to be a hot topic in this market. It is noted that work is underway regarding the risks to the system.
- Chartered Accountants Australia & New Zealand noted that in addition to fraud, there are issues regarding elder financial abuse, and misuse of enduring powers of attorney. There is also the need for reform regarding death benefits and the use of binding nominations.
- The proposed \$3 million superannuation cap will only impact a small number of individuals, however, unintended consequences for members needs to be considered.
- Is there further action required to protect superannuation in self-managed super funds (SMSFs)? Is there an opportunity to align regulations for SMSFs to those of APRA-regulated funds?

STP data use to address SG non-compliance

The ATO provided an overview of work underway to expand the use of Single Touch Payroll (STP) data to obtain better visibility of employees SG entitlements.

- One key focus area from the 2022–2023 Corporate Plan is to expand the use of STP data. The ATO is looking at different ways to harness the benefits of STP data and member account transaction service (MATS) service reporting from superannuation funds, to ensure employees can engage with their super through better visibility of their SG payment.
- As as 30 June 2022, there were 891,000 employers reporting super obligations through STP who employ approximately 13.6 million employees.
- The ATO will match the STP data, and MATS reporting to determine if an employees' entitlements have been met. Data from 1 July 2018


onwards will be used.

- Having access to real-time information will assist the ATO to engage earlier with employers failing to meet their obligations, in line with the goal of prevention rather than correction and protect retirement savings for the community.
- Accurate, complete, and timely information from both employers and superannuation funds will result in better quality data.
- Existing compliance program activities will continue, new treatments will be determined once the data matching program matures.

Discussion noted:

- This work is still in progress and will undergo rigorous testing of data sets. The current plan is to commence using the data from the start of the 2024–2025 financial year.
- The employee notification process will still occur to ensure the ATO can investigate cases involving discrepancies in Ordinary Times Earnings or other complexities.


Internal dispute resolution

ASIC presented key findings from the release of [REP 751 Disputes and deficiencies: A review of complaints handling by superannuation trustees](#) .

When a member has an issue with their superannuation provider, the providers' internal dispute resolution (IDR) process will deal with it in the first instance. It is important a trustee has a robust arrangement so members can be assured that their complaints will be dealt with effectively and efficiently.


ASIC encourages trustees to review and improve their IDR practices considering the findings in Report 751, learn from complaints and put members at the heart of their IDR process. ASIC recommends the following actions for good management of IDR obligations:

- Have a dedicated process to manage delays, that is, making staff accountable to demonstrate genuine exception to exceed maximum response timeframes and make sure complainants are kept informed of delays.

- Write IDR responses with the consumer in mind – refer to practical tips in [REP 752: Review of written responses to superannuation complaints](#)  and give clear reasons for complaint decisions and any complaint handling delays.
- Include AFCA's details in the body of the complaint response (not just referred to in attachment).
- Review resourcing in IDR teams regularly (monthly or quarterly).
- Review complaint data to detect and fix wider problems.
- Dedicated training and process to detect complainant vulnerability and fast-track urgent complaints.
- Have sufficient detail in reports on complaints given to trustees to show any deficiencies in the timeliness and performance of the IDR process.

AFCA added that consumer protection is not being met if external dispute resolution (EDR) is not mentioned to the complainant as an option. There are also industry wide issues of IDR and EDR teams not being adequately resourced

Discussion noted:

- There needs to be benchmarking for the timeliness of complaint responses across industries, that is, telecommunications or the government sector.
- For benchmarking purposes, ASIC published a [snapshot of complaints handling by superannuation trustees PDF 952KB](#)  infographic in August 2022. This document notes that the average time to issue a complaint response is 24 days. 2.7% of all IDR complaint responses were issued after 45 days.

Fraud and cyber security

The initial findings for the Fraud and Security Working Group were presented to the SISG. Key highlights include:

- The Fraud and Security Working Group was established following the November 2022 SISG. The group has convened 3 times to date.
- The group has undertaken a high-level risk assessment, which has identified hotspots, vulnerabilities, and opportunities for improvement. This has involved working through case studies of

real-life occurrences of fraud, to illustrate where the vulnerabilities are, and test where fraudulent activity can be disrupted.

- The SISG supported the Fraud and Security Working Group continuing to the next phase of work. The working group will report back at the next session of the SISG in June 2023.

Attendees

Attendee's list

Organisation	Member
ATO	Emma Rosenzweig (Co-chair), Superannuation and Employer Obligations
ATO	Larissa Evans, Superannuation and Employer Obligations
Association of Super Funds Australia	Glen McCrea
Australian Institute of Superannuation Trustees	Melissa Birks
Australian Prudential Regulation Authority	Mike Cornwell
Australian Securities & Investments Commission	Jessica Spence
Chartered Accountants Australia & New Zealand	Tony Negline
Financial Services Council	Spiro Premetis
Industry Super Australia	Ella Cebon
Link Group	Deborah Schembri
Mercer	David Knox (Co-chair)

SMSF Association	Peter Burgess
Super Consumers Australia	Xavier O'Halloran
The Tax Institute	Phil Broderick
Treasury	Lynn Kelly

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Belinda Black, Superannuation and Employer Obligations
ATO	James Barry, Superannuation and Employer Obligations
ATO	Joanne Cameron, Superannuation and Employer Obligations
ATO	Kylie White, Superannuation and Employer Obligations
ATO	Malcolm Allen, Superannuation and Employer Obligations
ATO	Michelle Allen, Superannuation and Employer Obligations
ATO	Shane Moore, Superannuation and Employer Obligations
Australian Financial Complaints Authority	Anne Maree Howley
Australian Prudential Regulatory Authority	Emily Langford

Australian Prudential Regulatory Authority	Emma Nicholson
Australian Prudential Regulatory Authority	Katrina Ellis
Australian Securities & Investments Commission	Julia Cakebread
Australian Securities & Investments Commission	Sacha Vidler
Australian Securities & Investments Commission	Violet Wong
COTA Australia	Alex Tewes
Super Consumers Australia	Rebekah Sarkoezy
Treasury	James Thomson

Apologies

Apologies list

Organisation	Member
ATO	Peta Lonergan, Superannuation and Employer Obligations
Australian Financial Complaints Authority	Heather Gray
Australian Prudential Regulation Authority	Carolyn Morris
Australian Securities & Investments Commission	Jane Eccleston
Business Council of Australia	Stephen Kirchner

COTA Australia	Patricia Sparrow
Law Council of Australia	Maged Girgis
Law Council of Australia	Michael Mathieson

QC 72415

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