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Suncorp welcomes improvements to superannuation governance

Suncorp has welcomed the release of draft legislation today by Assistant Treasurer Josh Frydenberg. The Government has announced major reforms to improve governance standards in the superannuation industry requiring all superannuation trustee boards to have independent directors and an independent chair.

CEO Suncorp Life, Geoff Summerhayes said that Suncorp's Trustee Board already complies with the proposed legislation and added it is an effective model.

"Suncorp and other retail sector superannuation funds have been successfully operating with independent directors and an independent chair for some time," he said.

"This legislative proposal supports competition, which ultimately benefits customers. It's a positive move by the Government to improve the superannuation industry."

Mr Summerhayes added the change would result in greater diversity of experience on boards.

"By mandating a level of independence on superannuation boards, the sector has the opportunity to lift diversity and bring more specialist industry skills to the table," he said.

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Note:

The exposure draft legislation released today proposes that all Australian Prudential Regulation Authority (APRA) regulated superannuation funds, including corporate, industry, public sector, and retail funds, have a minimum of one third independent directors on their trustee board and an independent chair. The new governance rules will not apply to self-managed superannuation funds. Further, and consistent with rules that apply to ASX listed companies, trustees of APRA-regulated super funds will be required to report on whether they have a majority of independent directors, on an 'if not, why not' basis, in their annual report.

The Government's proposal for a minimum one third independent directors and an independent chair is in-line with several recent independent reviews of the superannuation system that recommended that superannuation trustee boards include a higher number of independent directors.