

THE VOICE of Pensioners and Superannuants

5 May 2021

Does Your-Future-Your-Super have a future?



THE intention of the *Your Future, Your Super* draft legislation is to get rid of the millions of multiple superannuation accounts for employees who do not choose a superannuation fund when they start a new job.

However, in its current form *Your Future Your Super* does not address the existing stock of multiple super accounts. Effectively, everyone with more than one super account is grandfathered by the draft legislation. A lot of people are not even aware they have multiple accounts. *Your Future Your Super* does nothing for those people, three million of them with combined balances of \$100 billion.

The intention of the *Your Future, Your Super* draft legislation is also to get employees into high-performance funds. To this end, the law proposes annual performance tests for super funds. If a super fund fails this performance test two years running, the fund can't accept new members and will be forced to close eventually.

Evidence was given to a Senate inquiry that telling a good super fund from a bad one using the test proposed by *Your Future Your Super* is unlikely to be effective. So, you might not have multiple super accounts anymore, but the

single fund you are a member of might be a badly performing fund with a ‘pass’ test score.

Also, the performance test may lead super funds to adopt super-cautious investment risk strategies. They would pass the test, but they would be making less money for their members.

The Government has said it is fixing one problem with the *Your Future Your Super* draft legislation. Administration fees charged by super funds will be included in the performance test, so that members know exactly what it costs funds to get the investment return which funds like to brag about.

The intention of the *Your Future Your Super* draft legislation would also require super funds to work in the best financial interests of the members. Many funds have scoffed at this because there is already a ‘best interest’ test. So, maybe a ‘best financial interest’ test is not only unnecessary but may actually mean other legitimate interests are ignored, for example, campaigns to reduce gender inequality, implement strategies towards environmental sustainability and strategies to increase financial literacy among fund members.

Controversially, the *Your Future, Your Super* draft legislation would allow the Government to prohibit certain payments, such as political donations, or investments.

Finally, a lot of the detail for all of the above is still missing. Regulations, which spell out the detail not included in primary legislation, have yet to be drafted.

It’s not surprising therefore that, although the Government and the Opposition agree on the need for legislation and the broad measures, the future of *Your Future Your Super* in its current form looks a bit bleak.

Grave matters taken too lightly by NSW funeral regulators



THE Independent Pricing and Regulatory Tribunal (IPART) did a review of the NSW Funeral Industry. IPART's recommendations are sensible, but CPSA disagrees with IPART on one important point.

The draft report accepts the rather scattered approach to regulating the funeral industry. This is more or less understandable, because the funeral industry attracts few consumer complaints. As a result, the regulators have become largely disinterested in regulating and policing the funeral industry.

Complacency is never a good thing in regulation. In the funeral industry it has led to serious, entirely foreseeable problems in cemeteries. These continue to be filled with perpetual graves. There is no provision for what happens once a cemetery is full and no more money is coming in.

Drive past a cemetery and you drive past a little Ponzi scheme.

The NSW Government's response has been to create a new regulator, Cemeteries and Crematoria NSW (CCNSW), which has only just made recommendations to clean up the cemetery mess.

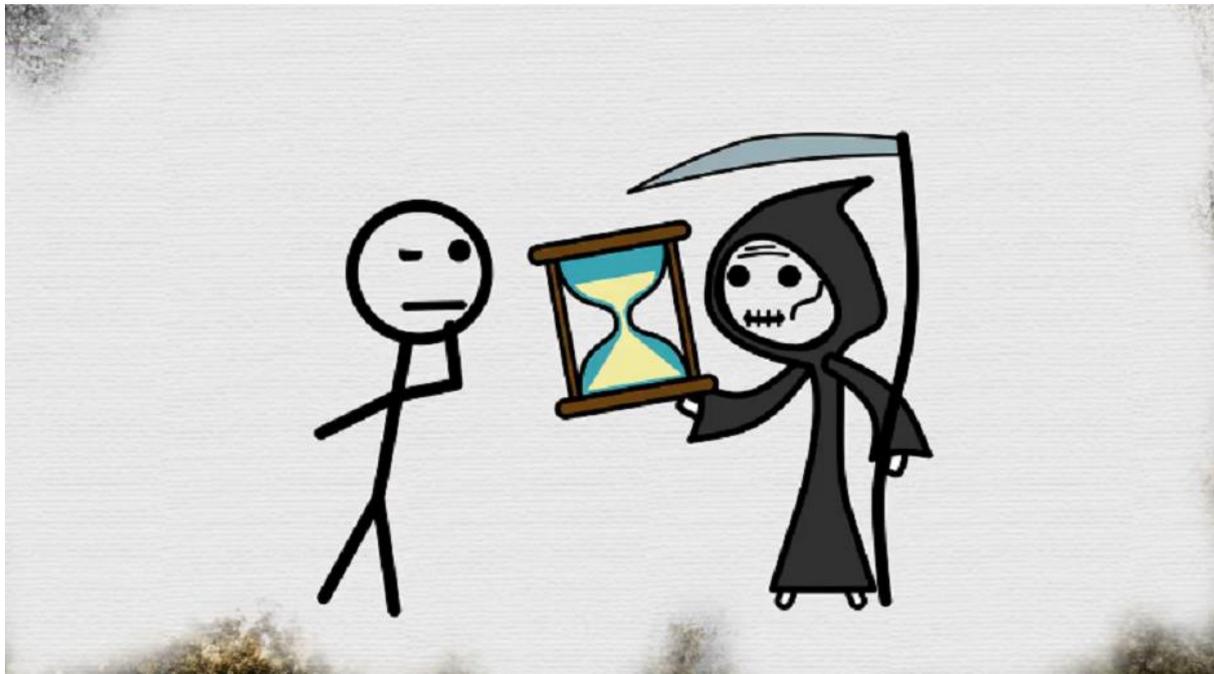
Before CCNSW was added, NSW Fair Trading and NSW Health were the two primary regulators for the funeral industry. Neither of these agencies was, or is, particularly interested in the funeral provider industry. It's not core business for them.

It is for that reason CPSA believes there should be a single regulator for the cemeteries, crematoria, funeral services – in short, a funeral industry regulator.

Not surprisingly, CCNSW in its recent report and statutory review recommended that it should be that regulator, citing increasing vertical integration as the funeral industry continues to consolidate and big players become bigger players.

CPSA agrees.

Australians avoid planning for death



MORE than 60 per cent of deaths in Australia are predictable but less than 15 per cent of Australians have care plans for the last stage of life.

[A 2014 research report](#) published by the Grattan Institute found that most people would prefer to die comfortably at home, surrounded by friends, family, and the care services they require. However, if proper discussion and planning is not carried out then the sufficient health services and arrangements may not be possible to fulfil someone's last wishes.

The Violet Initiative is a social enterprise that aims to encourage Australians to be better prepared for death. The Initiative estimates that more than half of the predictable deaths in Australia have regretful outcomes because either things did not go to plan, or there was no plan.

Your death will of course have an impact on the people in your life. Ensuring your end-of-life plans are in order may make life easier for the people you leave behind.

[A 2017 study](#) claimed that 20 per cent of Australians are unable to move on after an important person in their life dies. Perhaps having effective end-of-life plans in place may minimize the risk of prolonged grief experienced by those closest to you. The peace of mind that your life ended in the way you planned may be helpful for those closest to you.

The best way to ensure you have some control over your final moments is to be prepared and plan ahead.

In terms of care plans, an [advance care directive](#) will allow you to outline your preferences for future care based on your beliefs, values and goals. An advance care directive will allow you to appoint a substitute decision-maker who can make decisions for you based on your wants if you are no longer able to make these decisions for yourself.

For more information and free advice regarding advance care directives, contact Advance Care Planning Australia on 1300 208 582.