

## **Frydenberg on the money**

19 January 2015

The new Assistant Treasurer, Josh Frydenberg, is right to focus on the governance of the major APRA-regulated funds.

It's in the interests of every working and retired Australian who have \$750 billion held in trust in super accounts – more than Australian households have in their bank accounts (\$690 billion).

The supervision of APRA-regulated funds should be as least as stringent as the governance standards required of banks and other large corporations.

In particular, a majority of the trustee company boards of public offer funds should be independent. Independent trustees are better placed to make objective decisions in the interests of all fund members; conflicts of interest are likely to arise less often and be better managed.

Transparency needs to be clearer – not just in terms of the performance of superannuation funds but in the governance arrangements of the trustee companies that manage the funds. The process for the appointment of trustee company directors, their credentials, other related positions held and their remuneration should all be fully disclosed.

SMSF trustees have an interest in high standards of governance because many of them hold accounts with large managed funds.

SMSFs are fundamentally different to the APRA-regulated funds because the trustees and the beneficiaries are the same people – there is not the same issue of trust as there is with the major managed funds.

Contact:

Duncan Fairweather  
Executive Director  
SMSF Owners' Alliance  
[dfairweather@smsfoa.org.au](mailto:dfairweather@smsfoa.org.au)  
0412 256 200



