

**28 September 2023**

Director  
Superannuation Insurance and Governance Unit  
Retirement, Advice and Investment Division  
Treasury  
SuperannuationObjective@treasury.gov.au

Attention: Director

## Legislating the objective of superannuation

The Australian Financial Complaints Authority (AFCA) is pleased to provide a brief submission in response to consultation on the exposure draft of the *Superannuation (Objective) Bill 2023* and *Superannuation (Objective) (Consequential and Transitional Provisions) Bill 2023*.

AFCA is the independent external dispute resolution (EDR) scheme for the financial sector. For over 25 years, AFCA and its predecessor schemes have provided fair, independent, efficient and effective solutions for Australian consumers and small business to have their financial complaints resolved. This includes complaints made by superannuation fund members.

More broadly, AFCA plays a key role in restoring trust in the financial services sector. Since its establishment on 1 November 2018, AFCA has handled over 367,000 complaints and delivered over \$1.07 billion in compensation to consumers. Its systemic issues work has resulted in 4.8 million people receiving more than \$340 million.

AFCA supports any action that assists to ensure financial legislation and the objective and intent of that legislation is clear, transparent and well defined, as a means to promote legal certainty, compliance and fairness. This is especially important where the legislation relates to what is one of the most significant investments for all Australians.

We note that the intent of the draft Bills is to require policy-makers to demonstrate that any future changes to superannuation law are consistent with the legislated objective, and that it is not intended to change the operation or interpretation of existing superannuation law, prudential standards or governing rules of

superannuation entities. These are the legal standards that AFCA will typically have regard to in determining superannuation complaints.

Our view is that a legislated objective of superannuation would likely provide a degree of certainty and consistency to these legal standards, noting that the regulatory environment surrounding superannuation is highly complex and difficult for many people to navigate. We see this complexity reflected in the superannuation complaints brought to AFCA.

The objective may therefore help in the development of a more focused and shared understanding about superannuation.

AFCA would be pleased to contribute further to this consultation by way of superannuation complaints data and related insights if this information would be of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Heather Gray', written in a cursive style.

**Heather Gray**  
**Lead Ombudsman, Superannuation**  
**Australian Financial Complaints Authority**