

1000+ super funds bite the dust

Although only elected to the Trustee at the last election Richard Rose is no stranger to superannuation, with seven years experience as a superannuation consultant in Deloitte Tax Services - experience which was invaluable in managing the new Fund licensing requirements recently.

(Richard) "As a result of APRA's new super fund licensing requirements, hundreds of corporate as well as both retail and industry funds have called it a day – dissolving and folding into larger funds rather than be subject to the rigorous and exacting requirements of the licensing regime. And I have to say, even with the 60 plus years experience of our Board's combined super experience we needed to devote significant time – and the involvement of an expert Deloitte project team headed up by Fiona O'Keefe (A&A Melbourne) to fully document the policies and processes which had been somewhat taken for granted, even though our standard practice and – dare I say – pretty much leading edge through having two acknowledged experts in super fund management - Tony Brain and Richard Rassi - on our board.

"As at APRA's Dec 31 deadline, out of around 1500 current industry participants, only 300 had submitted a licence application. Come June this year all others currently in the industry will have exited, having ceded their activity and current contribution balances to those who have sought to continue under the new regime.

"Achieving APRA licensing should provide super Fund contributors with a whole new level of confidence in the professionalism of the management of what is, for many, after their home, their most significant investment.

"The policies and processes requiring documentation by APRA include a Fund's 'fit and proper' and 'outsourcing' policies as well as its risk management strategy and plan, its business plan and demonstration of 'adequacy of resources'. It's a pretty comprehensive governance framework."