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Superannuation funds fifth straight month of positive returns

Superannuation funds have posted the fifth straight month of gains in July and have begun recovering the losses caused by the global financial crisis, according to the research firm SuperRatings.

The report indicates that in the past 5 months the median Balanced option has added 10.87% and over 5 years the median Balanced option has returned 5.0% pa.

For those members in an Australian Shares option, the median return has been 27.4% over the last 5 months as the Australian sharemarket has started to recover from record losses of 2008 and 2009.

SuperRatings said the Australian Prudential Regulation Authority's (APRA) superannuation fund performance information released last week should not be used to compare investment performance as APRA's table did not take account of investment options within a single fund.

Source

SuperRatings, New financial year starts on a high – fifth straight month of positive return, 24 August 2009.
<http://www.superratings.com.au/media/mediareleases/24082009>

Draft on super governance issues

The Super System Review is examining Australia's superannuation system in three phases:

- ⌵ Phase One: Governance;
- ⌵ Phase Two: Operation and Efficiency; and
- ⌵ Phase Three: Structure.

Each phase will follow the same format:

- ⌵ the release of an issues paper - setting out some of the issues the review panel has identified and intended to help the conceptual formulation of submissions;
- ⌵ 6-8 weeks will be allowed for comment on each phase;
- ⌵ preliminary recommendations will be released after consideration of all submissions; and
- ⌵ the preliminary recommendations will form the basis for the review's final report, which is due to be delivered to the Government by 30 June 2010.



The Super Review Panel has called for submissions on governance issues in phase one of its three-part review.

The governance issues include:

- ↳ trustee knowledge;
- ↳ skills and training;
- ↳ conflicts in outsourcing;
- ↳ accountability to members; and
- ↳ composition of boards of trustees.

Submissions should be completed by 16 October 2009.

Phase Two, dealing with Operation and Efficiency, will begin consultation on 16 October and Phase Three, relating to Structure, will begin on 14 December.

Source

Australian Government, Super System Review: A Three-Phased Consultation, 25 August 2009.

http://www.supersystemreview.gov.au/content/content.aspx?doc=html/media_releases/2009/001.htm

Draft AML/CTF Rules relating to cashing out of low balance superannuation accounts

Anti Money Laundering and Counter Terrorism Financing (AML/CTF) rules exempt trustees of a superannuation fund from carrying out the customer identification requirements of the AML/CTF Act on customers where:

- ↳ the superannuation account balance is not greater than \$1,000;
- ↳ the whole of the interest of the customer in the superannuation fund has been cashed out; and
- ↳ the customer's account is closed as soon as practicable after the cashing out.

Source: Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2009 (No. 4).

Performance data for individual superannuation funds

The Australian Prudential Regulation Authority (APRA) has released performance data for individual superannuation funds, covering the five-year period from 2004 to 2008: <http://www.apra.gov.au/Statistics/Superannuation-Fund-Level-Publications.cfm>.

The performance data for APRA-regulated funds – with the exception of small APRA funds, single-member approved deposit funds, exempt public sector superannuation schemes and pooled superannuation trusts – are published in two versions:

- ↳ Superannuation fund-level rates of return presents three-year and five-year performance information on the 200 largest funds by asset size – which cover 95 per cent of members and 98 per cent of the assets of APRA-regulated funds – as well as eligible rollover funds (ERFs).
- ↳ Superannuation fund-level profiles and financial performance is available in Excel format only and contains detailed data for each financial year from 2004 to 2008. The detailed data allow observers to analyse the superannuation funds across a range of measures (subject to privacy considerations).

Source

Australian Prudential Regulation Authority, Superannuation Fund-Level publications.

<http://www.apra.gov.au/Statistics/Superannuation-Fund-Level-Publications.cfm>.

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