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## CHAPTER 14:

# INTRODUCTION TO CONSUMER MATTERS

14.1 In the course of its inquiry into superannuation, the Committee has identified a number of issues of particular interest to consumers where reform is required. These issues will also be of relevance to providers of superannuation who seek to provide a high standard of service to their clients. Of paramount importance is the establishment and effective operation of the proposed Superannuation Complaints Tribunal pursuant to the Superannuation (Resolution of Complaints) Bill 1993.

14.2 Chapter 15 examines the structure of the disputes resolution mechanism that will be established by the Superannuation (Resolution of Complaints) legislation. Chapter 16 examines the type of complaints that the Tribunal will have the jurisdiction to review. Chapters 17 and 18 examine the predominant issues that have been raised in the course of the Committee's inquiry.

14.3 In its first report, the Committee identified matters which may not readily be understood and therefore might become the subject of a dispute between a member of a superannuation fund and the fund. Some of these matters relate to the entitlements of individual members. Other matters that might be subject to dispute are of a more general character such as the election of trustees, investment policies, the alteration of trust deeds and the degree of employer influence over trustees.<sup>84</sup>

14.4 The Committee noted in its first report that the predominant view was that there was a need for the establishment of an independent dispute resolution mechanism that provided an alternative to the court system.<sup>85</sup>

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<sup>84</sup> *Safeguarding Super*, June 1992, p 135

<sup>85</sup> *ibid*, p 136

14.5 The Committee examined possible models for such an alternative dispute resolution mechanism and recommended that it be mandatory for all trustees to establish an internal dispute resolution mechanism. In respect to the external review of trustees' decisions, the Committee concluded that the decisions of trustees should be externally reviewable.

14.6 It was considered that a quasi-judicial statutory body could be established to review trustees' decisions where the internal dispute resolution mechanism had not resolved the complaint. Alternatively, it was considered that an industry authority could be established. The Committee preferred the latter and recommended that an industry review authority be established with the power to ensure that trustees' powers had been properly exercised and that all relevant evidence had been considered.

14.7 Notwithstanding the Committee's recommendation, the Government has decided to establish a quasi-judicial statutory review body. This is, of course, the proposed Superannuation Complaints Tribunal.

14.8 In August 1992, the Committee issued an Issues Paper entitled *Super Charges*. In that Paper, the Committee again identified the need to examine the establishment of a low-cost, external dispute resolution mechanism.<sup>86</sup>

14.9 In its sixth and seventh reports, *Super-Fees, Charges and Commissions* and *Super Inquiry Overview*, respectively, the Committee reiterated its earlier recommendation that a low cost and accessible external review body should be established.<sup>87 88</sup>

14.10 The Committee's belief that a formal disputes resolution mechanism in the superannuation arena is necessary was confirmed in its inquiry into the Queensland Professional Officers Association Superannuation Fund. The findings of the Committee are set out in its eighth report entitled *Inquiry into the Queensland Professional Officers Association Superannuation Fund*.

14.11 The Committee received a significant number of written submissions in relation to 'consumer issues' within its terms of reference. The Committee heard evidence on these and other 'consumer issues' during the hearings on these Bills.

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<sup>86</sup> *Super Charges*, August 1992, p 63

<sup>87</sup> *Super - Fees, Charges and Commissions*, June 1993, p 48

<sup>88</sup> *Super Inquiry Overview*, June 1993, p 37