Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: **SBT 4**

Topic: **Cooper Review & MySuper**

Hansard Page: **pg 118, Wednesday 17 October 2012**

Senator CORMANN asked:

Senator CORMANN: In relation to this whole MySuper issue, did the Cooper review canvass how MySuper would be licensed?

Mr Jones: I am not quite certain whether it came out of the Cooper review or not. The legislation requires an authorisation, that is correct, but I do not remember now whether the process for the MySuper—

Senator CORMANN: Maybe go and have a look back, and take it on notice.

Mr Jones: I do not think it did come out of Cooper, actually.

Senator CORMANN: As I understand it, Cooper recommended a separate licence, but I would be interested in APRA's read on it. Did APRA have a view on how MySuper products would be taken to market through the regulator once the government announced that it would support the MySuper recommendations out of the Cooper review?

Mr Jones: We had to establish a process once it was decided that the products would be authorised. This was a little bit unusual for APRA because this is a situation where we are authorising products, given that MySuper is, notionally, a product. We will go through an authorisation process, that is correct.

Answer:

The Cooper Review did recommend licensing for MySuper products. The Cooper Review suggested that 'A trustee who wants to offer a MySuper product would be required to hold a 'MySuper' class of RSE licence granted by APRA. This would most likely be through a variation to an existing licence.' (Chapter 1, Section 3.2, page 14).