

Media Release

RETIREES WORRIED THAT LABOR WANTS TO WEAKEN SUPER FUND PERFORMANCE TESTS

“Retirees with superannuation are concerned that **Labor** wants to ensure that super funds that focus on an “**Environmental, Sustainable, Governance**” (ESG) investment strategy are not penalised **if they fail the Your Future Your Super performance Test**,” said Mr Wayne Strandquist, President of the Association of Independent Retirees.

“Speaking at the recent Responsible Investment Association of Australian conference the Labor shadow minister for financial services and superannuation, Mr Stephen Jones, is quoted as saying that ‘**Labor will ensure that the proper objective of holding super funds to account for their investment returns and costs doesn’t interfere with the equally proper objective of funds to drive both economic and social outcomes**,’ Mr Strandquist reiterated.

“This election pledge by Labor is tantamount to interfering with the primary objective of super funds to maximise investment returns by giving a dispensation to funds with strategies that pursue other objectives,” explained Mr Strandquist.

“While ESG investments may have a place in a super fund investment portfolio they should not be at the expense of the overall objective of maximising investment yield and minimising costs of the fund,” said Mr Strandquist.

“The **Your Future Your Super** (YFYS) performance test reforms have successfully focused superannuation funds on driving improved investment performance for the benefit of members. If super funds pursue an ESG investment strategy or any other strategy that produces inferior returns, it is the investment strategy that should be questioned not the performance test criteria,” Mr Strandquist emphasised.

“What super funds members want is for their funds to pursue strategies that align with their values and produce **superior returns that maximise their retirement savings and income at the least cost to the members**,” concluded Mr Strandquist.

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