

**CFA Cautiously Welcomes Super Choice – warns consumers to be Super Careful, calls on Government to Fund a Super Legal Centre**

The Consumers' Federation of Australia cautiously welcomes the new Super Choice regime.

CFA Chair Carolyn Bond said “consumers should have control over their own financial future – but it is vital that they don’t rush into anything. It is important to compare funds, based on their performance over the long term, fee structure and other benefits such as life insurance”.

“Many consumers are already likely to be in a good fund, and the best choice may be to stay there, “ said Ms Bond.

Very few consumers understand the “ins” and “outs” of super. Some consumers – possibly large numbers - are almost certain to be ripped off under the new regime, despite the best efforts of ASIC.

“Super Choice is also unfortunately an opportunity for unscrupulous advisors to line their own pockets”, said Carolyn Bond. “Switching a super fund might lead to a higher commission for the advisor, but may not be the best long-term decision for the advisor’s client.”

CFA therefore calls on the government to set up a Superannuation Legal Centre to provide independent legal advice and advocacy to consumers who need it. There is already unmet demand for such an organisation now. This demand will magnify under Super Choice.

CFA also calls on the government to provide additional funding to the National Information Centre on Retirement Incomes, an independent organisation that provides information to consumers about financial products. NICRI has been inexplicably overlooked by the government as a vital source of information and education for consumers.

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