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### ASFA SUPPORTS ASIC REPORT ON FEES AND CHARGES

ASFA - The Voice of Super welcomes the ASIC Report by Professor Ian Ramsay on disclosure, released today, and broadly supports its recommendations.

"We endorse Professor Ramsay's recommendation that there should be standardised descriptions and definitions of fees in PDSs (product disclosure statements) for super funds and other managed investments, and that these need to be consumer tested," said Philippa Smith, CEO of ASFA (The Association of Superannuation Funds of Australia).

"ASFA has been proactive in this area and has already taken the initiative in testing consumer comprehension of fee disclosure."

"The testing just completed by ASFA clearly shows that the OMC (as recommended by Ramsay) is not an adequate tool for consumers. It simply confused consumers - most (80%) of those tested perceived it as an additional charge. Only 10% could correctly answer the questions about fees and charges," Ms Smith explained.

ASFA agrees with the objective of the OMC (and Ramsay) but the results of the consumer tests highlight the need to develop an improved fee disclosure tool to enable people to better understand and compare products.

"We are currently in the middle of conducting our second round of testing alternative fee disclosure models, the results of which we hope to release shortly," said Ms Smith.

Professor Ramsay also recommends the possible introduction of a fee calculator on the ASIC website, in common with the regulators in a number of other countries.

"ASFA would be willing to work with ASIC in developing this. ASFA's own website fee calculator was recognised by Professor Ramsay as a forerunner of what the regulator might provide," said Ms Smith.

To access the ASFA website fee calculator please [click here](#).

*The ASIC Report on Disclosure of Fees and Charges was prepared by Professor Ian Ramsay for ASIC (The Australian Securities and Investments Commission) on disclosure of fees and charges in PDSs and member/investor periodic statements.*

The report can be downloaded from the ASIC website at [www.asic.gov.au](http://www.asic.gov.au)

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