

Engagement by superannuation funds with Aboriginal and Torres Strait Islander people		PM&C Response
825.9	<p>Are the identification procedures used by superannuation funds appropriate for their Aboriginal and Torres Strait Islander members?</p> <p>(i) If those procedures are appropriate, are those identification procedures sufficiently understood and implemented by staff on the ground?</p> <p>(ii) If those procedures are not appropriate, what should be changed?</p>	<p>PM&amp;C understands that Treasury/AUSTRAC will lead the response to this question, and that AUSTRAC has released updated guidelines to assist entities in taking a flexible approach to identification and verification procedures of Aboriginal and Torres Strait Islander people. PM&amp;C supports the work of AUSTRAC in allowing banks and other financial services working with customers in remote areas to accept alternatives to the standard 100 points system for verifying a customer's identity.</p>
825.10	<p>Should superannuation funds be required to record whether their members identify as Aboriginal or Torres Strait Islander people?</p>	<p>Proof of Aboriginal or Torres Strait Islander heritage is generally only required when accessing government services that are intended to address the social, health and educational issues that Aboriginal and Torres Strait Islander people often face, to ensure that the intention of the assistance is honoured.</p> <p>As superannuation is not a service, nor specific to Aboriginal and Torres Strait Islander people, any action by a superannuation fund to record Aboriginal or Torres Strait Islander identity information should be undertaken with sensitivity, and via an opt-in or voluntary basis, only.</p>
825.11	<p>Should those superannuation funds who do not currently permit the early release of superannuation on the basis of severe financial hardship do so?</p>	<p>Allowing earlier access to superannuation savings due to severe financial hardship will improve the standard of living for those members. However, requiring all superannuation funds to enable the early release of superannuation on the basis of severe financial hardship may result in a number of adverse consequences, including reducing the time people have to accumulate superannuation savings and increasing the scope for dissipation of those savings at a younger age.</p> <p>Given the cumulative effects of superannuation, it is critical that the focus be on improving the capability of young Aboriginal and Torres Strait Islander peoples to manage their superannuation savings. Aboriginal and Torres Strait Islander people who are at the end of their careers or retired would benefit from better information around how to find and access their superannuation, although they are likely to have smaller balances due to the immaturity of the superannuation system.</p>
825.12	<p>Should the lower life expectancy of Aboriginal and Torres Strait Islander people be taken into account in the decision-making processes of superannuation funds when considering how to administer or</p>	<p>Lower life expectancy for some Aboriginal and Torres Strait Islander people may mean that these members seek the early release of superannuation in order to pay for medical treatment, as enabled by the current legislation.</p>

	<p>release the funds of Aboriginal and Torres Strait Islander people? If so, how?</p>	<p>The system should allow for the needs of individuals, and appreciate the diversity of the Aboriginal and Torres Strait Islander population in Australia. PM&amp;C cautions against measures that would reduce the preservation age for a particular group in the Australian community as it runs counter to the universal aspect of the superannuation system.</p> <p>Fundamental to improving superannuation services and access for Aboriginal and Torres Straits Islander people is increasing the superannuation sector's awareness of the range culturally appropriate considerations regarding the administration and release of funds. This includes improving communication regarding these options, to smooth processes and improve appropriate, early access to members' superannuation. Better engagement, understanding and communication will ensure that the sector does not create or reinforce existing barriers for Aboriginal and Torres Strait Islander people.</p>
825.13	<p>Should the categories of person permitted by legislation to be the subject of a binding nomination be changed to reflect Aboriginal and Torres Strait Islander kinship structures? If so, how should the categories be broadened?</p>	<p>There is merit in exploring the impact the current legislation has for Aboriginal and Torres Strait Islander kinship structures, in particular whether death benefits and relevant insurances can be claimed and made available to support nominated and culturally appropriate family members and kinship communities. Where Aboriginal and Torres Strait Islander people are named as beneficiaries of a person with whom they share a kinship relationship, additional support may be required to work through superannuation claims processes.</p> <p>Aboriginal and Torres Strait Islander members may also benefit from information about making culturally appropriate wills, including how to provide for kinship, burial, and secret knowledge. The advantage of a culturally appropriate Will that is that it is more likely to reflect a person's wishes than intestacy laws which apply when no Will is made. This in turn can help prevent disputes relating to burial, guardianship of children and the distribution of personal property.</p> <p>Any consideration or review of binding death benefit nominations must be done in consultation with Aboriginal and Torres Strait Islander stakeholders, such as traditional owner groups, local Aboriginal or Torres Strait Islander organisations, land councils, and other affected communities</p>