

# Superannuation

## Complaints up on death pay refusals

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SUPERANNUATION

REFUSALS by superannuation funds to pay out death and disability insurance claims continue to dominate submissions to the Superannuation Complaints Tribunal.

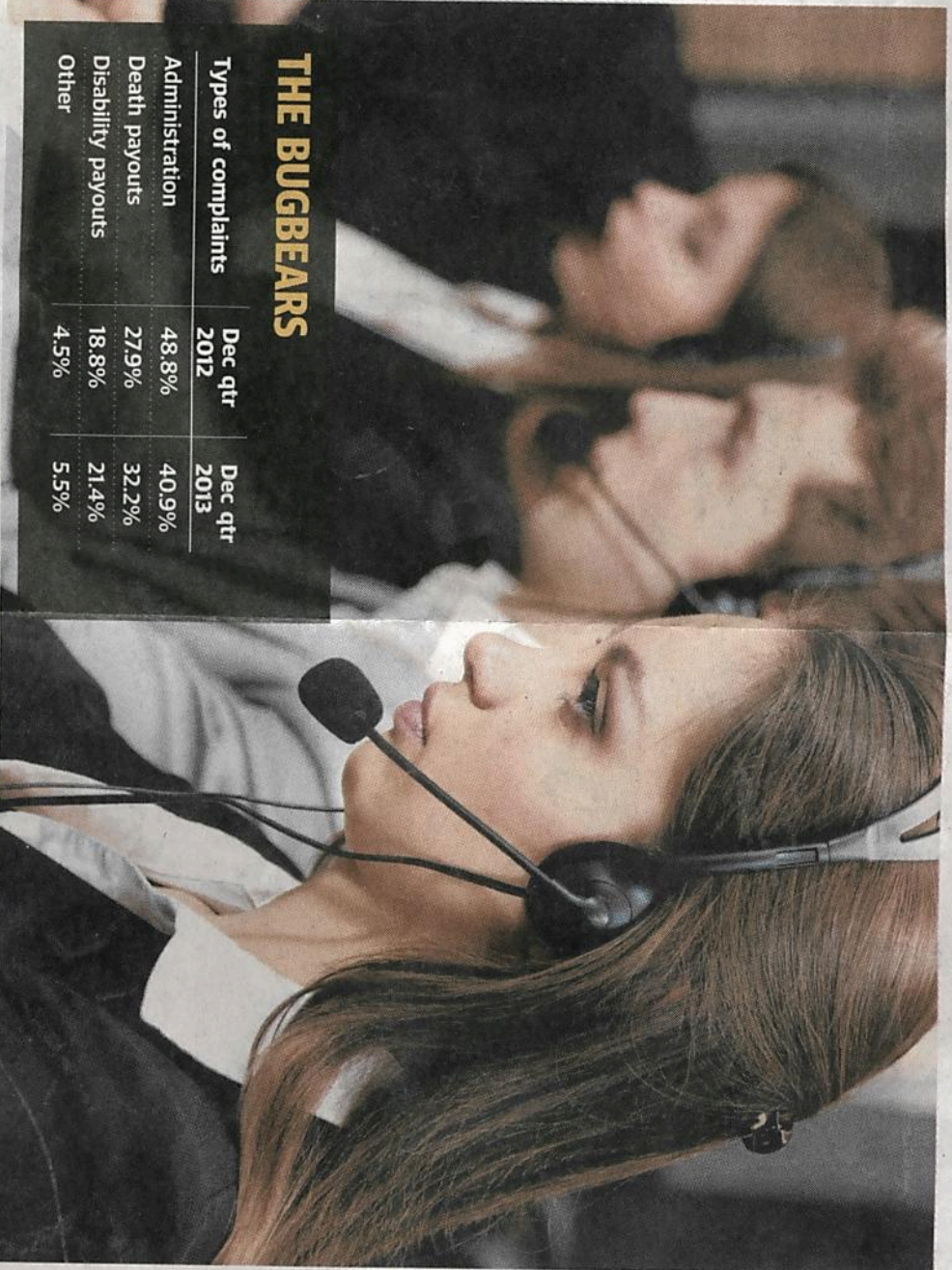
In most cases families are left in limbo for two or three years before these disputes are decided and in about 80 per cent of cases the government-funded arbitrator supports the non-payment.

The backlogged system is also leading to more lawyers becoming involved, according to industry observers.

The latest quarterly statistics from the tribunal show there were 184 new disputes lodged in the three months to December regarding death and disability payouts, compared with 176 the same time a year ago. As a percentage these disputes now make up 53 per cent of all complaints accepted by the tribunal, compared with 46 per cent last year.

The slow dispute resolution process has created a growing backlog of more than 500 cases awaiting investigation.

Chairwoman Jocelyn Furlan said in the December report, the average time taken to resolve disputes by the tribunal had improved to about 800 days, compared with



### THE BUGBEARS

Types of complaints	Dec qtr 2012	Dec qtr 2013
Administration	48.8%	40.9%
Death payouts	27.9%	32.2%
Disability payouts	18.8%	21.4%
Other	4.5%	5.5%

almost 1200 days a year ago.

She also noted that super fund trustees and insurance companies had been sending representatives to conciliation meetings who had no authority to resolve complaints.

Ms Furlan also said some funds appeared not to put any effort in to resolving complaints internally, instead waiting to see whether fund members would take their grievances to the tribunal.

Independent research company SuperRatings chairman Jeff Bresnahan said yesterday there was an "alarming" increase in the number of lawyers representing fund members in complaints.

"Lawyers are involved now in about 50 per cent of disability claims these days but there is really no need as more than 90 per cent of claims lodged with a fund are paid," he said. "The flow-on is that in

about 40 per cent of cases the lawyers are getting their 20 to 30 per cent success fee when really the member didn't need to engage them."

Australian Institute of Superannuation Trustees said it was good that the tribunal had reduced the time taken to resolve complaints but more needed to be done.

"Resolving complaints concerning death and TPD (total and permanent disability) ben-

efits is typically a very involved process, that said, the super industry recognises the importance of having complaints dealt with as quickly as possible, a spokesman for the AIST said yesterday.

"It's critical that the government ensures the tribunal is adequately resourced to deal with the complaints and that super funds work efficiently with the tribunal."

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## turns into tasty treat

GROWTH in Retail Food Group's pizza businesses has helped lift the company's first-half earnings.

The coffee wholesaler and owner of food chains, including Donut King, Brunny's Bakery and Crust Gourmet Pizza, says growth in earnings from its pizza businesses contributed to an 18 per cent rise in net profit.

The company made a \$17.3 million profit in the six months to December, up from \$14.6 million a year earlier.

Retail Food said acquisitions, mainly Crust in 2012, and an 8.4 per cent increase in coffee sales fuelled revenue.

Chairman Colin Archer said earnings in the company's "quick-service brand" segment of \$7 million represented 25 per cent of group earnings before interest, tax, depreciation and amortisation.

Retail Food shares closed 2.5 per cent higher yesterday at \$4.51.

## HARDIE PROFIT DOUBLES

JAMES Hardie is rewarding shareholders with a special dividend after more than doubling its profit as the US housing market picks up.

The building products maker made a net profit of \$US286 million

(\$319 million) in the nine months to December, up from \$US115 million in the same period a year earlier. Chief executive Louis