

# Like a red flag to a bull

WITH all the hype surrounding the impending choice of fund environment, it's easy to forget the whole caper has happened before, and not just in Western Australia.

And the current coalition Government didn't think it up either. Choice is, in fact, the right-wing brainchild of ex-British Prime Minister, Margaret 'The Iron Lady' Thatcher and toppled Chilean despot Gustavo Pinochet.

At least that's the world according to Peter Woods, who snapped guests at a recent lunch hosted by industry fund service provider FuturePlus out of a 'our-fees-are-lower-than-theirs' speech by making the astonishing claims.

And as it turned out Comrade Woods, a patron of the Local Government Association of NSW, is correct. Well, sort of.

As most of us already know, choice of investment vehicle on compulsory savings has already been introduced in Britain and Chile. And yes, in both cases Outsider is unhappy to report, the outcomes have been disastrous.

In the UK, you had the mis-selling crisis, where an estimated \$11 billion of investors' money was lost to unscrupulous advisers. In Chile, many of the 70 per cent of people who switched funds lost money to commission hungry advisers who encouraged them to churn. But, of course, our choice regime will be different because of our water-tight choice education and disclosure regime, won't it?

When asked to more specifically explain the relationship between Australian choice of fund legislation, Maggie Thatcher and Pinochet, in the tradition of the Iron Lady, Woods didn't pull any punches in proclaiming his manifesto.

"It's an ideological thing of trying to cripple anything that is collaborative, co-operative and may be related to an ability for employers and employees to function for the benefit of both.

"Bring on choice. Industry funds have nothing to fear with choice. But bring it on with a level playing field so we are able to engage and expose the retail funds for what they are: money grabbers, profiteers and not concerned about the welfare of other people."

Workers of the world, unite!

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