



MEDIA RELEASE

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FSC WELCOMES REVIEW INTO YOUR FUTURE, YOUR SUPER

The Financial Services Council (FSC) welcomes the Government's decision to pause the extension of the Your Future, Your Super (YFYS) performance test beyond MySuper products for 12 months, and to review the YFYS laws.

FSC Executive Director of Policy and Advocacy Spiro Premetis said: "The FSC has long advocated for a performance test for superannuation products that accurately reflects investment performance and member experience.

"Given a range of complexities with applying the test to a broader and more diverse range of superannuation investment options, the pause is the right outcome for consumers.

"Proceeding with the test without further consultation could have resulted in consumers being given misleading information about their superannuation funds' performance."

Further consultation should consider areas which undermine the performance test from being applied fairly, such as adopting inaccurate asset class benchmarks and the double counting of administration and advice fees for members who choose multiple superannuation products for their portfolio.

"There is now adequate time to address these complexities to ensure the performance test is properly designed to deliver on its promise of strong consumer outcomes in the investment returns of superannuation products.

"The broader review of YFYS will provide an opportunity to examine any unintended consequences of these important reforms, such as ensuring consumers have the option of selecting superannuation funds that align with broader goals such as ESG investing."

The FSC also welcomes the Government's commitment not to unwind the stapling measures of the YFYS laws.

"Stapling is an important consumer protection and a key recommendation of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the Productivity Commission's report into the efficiency and competitiveness of the superannuation system."

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds

management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange, and is the fourth largest pool of managed funds in the world.