



MEDIA RELEASE

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YOUR FUTURE, YOUR SUPER REVIEW PUTS CONSUMERS FIRST

The Financial Services Council (FSC) welcomes the Government's release of the wide-ranging review undertaken by the Treasury of the Your Future, Your Super (YFYS) laws and its accompanying policy response.

CEO of the FSC Blake Briggs said: "The Government has responded to feedback from the investment and superannuation sectors by including ten new benchmarks into superannuation fund performance assessments that will ensure consumers continue to benefit from investment diversification and higher investment returns.

"In the highly complex and technical field of investment management the Government should be congratulated for taking the prudent approach of listening and responding to evidence-based policy.

"Maintaining the approach of using current administration fees when benchmarking product performance is the best outcome for consumers as evidence from the prudential regulator has demonstrated that this focus has reduced administration fees for consumers of MySuper products.

"The FSC will work with the Government through its consultation on the regulations to deliver the Government's intent to apply the performance test to multi-asset accumulation products where the trustee has control over the design or implementation of the investment strategy.

"In extending performance testing to new categories of products, the Government should also commit to facilitating an improved superannuation product modernisation regime by extending CGT roll-over relief for consumers when rationalising individual products and investment options.

"A product modernisation regime for superannuation products will expedite the closure of underperforming investment options by removing tax consequences for consumers.

"The FSC welcomes confirmation from Government that it will not amend the legal framework for stapling and the best financial interest duty. These reforms are important new consumer protections and changes to these regimes would create unnecessary disruption and costs for superannuation consumers, employers and superannuation funds."

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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 more than \$3 trillion on behalf of over 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 one of the largest pools of managed funds in the world.