



## **MEDIA RELEASE**

Tuesday 9th May 2023

### **FSC welcomes disciplined Federal Budget**

The Financial Services Council (FSC) welcomes the disciplined Budget position, with spending constraint delivering a \$4.2 billion surplus built on a solid domestic economy.

CEO of the FSC, Blake Briggs said, “The FSC congratulates the Government on its fiscal discipline that delivers a significant improvement in the 2022-23 budget position and puts Australia in a strong position going into a more challenging economic environment.

“Having focused on supporting low and middle-income households the FSC encourages the Government to continue to focus on policies that will increase the productive capacity of the economy to boost employment.

“Growth orientated policies will offset global economic headwinds and help the Government maintain a balanced Budget over the medium-term, without resorting to further tax increases,

“Tonight’s Budget revealed the new tax on superannuation balances over \$3 million will raise an unprecedented \$2.3 billion each year from 2027-28, its first full year of operation.”

The FSC specifically welcomes Government announcements in relation to the Interfunding Exemption for foreign owned funds that invest on behalf of Australian consumers, funding for a comprehensive sustainable finance agenda, and new initiatives tackling Australia’s cyber security challenges.

The Interfunding Exemption exempts investors from unnecessary red tape, specifically complex reporting requirements and related fees, that create an unlevel playing field between domestic and international investors.

“The Interfunding Exemption announced in the Budget is a modest but important measure that will boost Australia’s standing as an attractive destination for overseas fund managers, ensuring the domestic market will remain competitive, and will benefit consumers with greater choice,” Mr Briggs said.

The FSC welcomed the Government’s \$14.2 million in additional funding to support the sustainable finance agenda.

“New funding to underpin joint industry and Government initiatives will support the important role of institutional investors as allocators of capital in our nation’s transition to a lower emissions economy.”

The Government has also made a significant investment in uplifting Australia’s cyber security capabilities.

“The FSC welcomes the over \$100 million investment in cyber security initiatives, which is a key priority for the financial services industry and requires close coordination with the Government to strengthen Australia’s cyber resilience,” Mr Briggs concluded.

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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