



## MEDIA RELEASE

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### **SUPERANNUATION DELIVERING ON ITS PROMISE TO AUSTRALIANS**

The Financial Services Council (FSC) welcomes the Government's announcement to strengthen the accessibility of retirement products to help Australians make the most of their superannuation savings as part of releasing the 2023 Intergenerational Report.

CEO of the FSC Blake Briggs said: "800 Australians are retiring every day, and the Government is right to prioritise action to make sure these consumers can choose from a range of products consistent with superannuation's promise of delivering income for a dignified retirement."

"The Retirement Income Covenant requires superannuation funds to formulate strategies to optimise retirement outcomes for members, however the FSC believes this framework will be more successful if the government removes regulatory barriers that are inconsistent with the Covenant.

"The Treasury Consultation Paper comes on the heels of the FSC's own [retirement roadmap](#), which proposed reforms that would make the retirement system more efficient. This includes a seamless transition of consumers out of legacy products, evaluating the flexibility of prudential capital requirements, and disclosure mechanisms for easy comparison of retirement products and their fees.

"The Intergenerational Report identifies the important role of superannuation in addressing Australia's financial pressures over the long-term, with compulsory superannuation driving the reduction in the cost of the age pension from 2.3% to 2% of GDP over the next four decades.

"FSC research has projected that by designing more efficient retirement policy settings the Government could boost retirees' incomes by 10 percent annually, or a cumulative \$397 billion by 2050, without changing contribution rates or creating uncertainty through additional tax increases.

"The amount of superannuation benefits left each year as a bequest would be halved by 2060, ensuring superannuation is primarily used up as income for retirement and supporting the sustainability of the federal budget.

"These goals can be achieved without resorting to additional taxes on Australians who are doing the right thing by saving for their own retirement," Mr Briggs said.

The Retirement Income Roadmap includes a range of complementary strategies aimed at refining retirement income policies. These strategies encompass initiatives to orient consumer disclosures towards retirement planning, enhance the affordability of financial advice, and streamline the interaction between superannuation, aged pension access, aged care, and healthcare.

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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.