



MEDIA RELEASE

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FSC STATEMENT ON PERFORMANCE TEST REVIEW

The Financial Services Council (FSC) notes the Government's decision to consult on whether to reform the Your Future, Your Super performance test to avoid discouraging superannuation fund investment decisions away from investments that would strengthen the national economy.

CEO of the FSC Blake Briggs said, "There should be a high bar to further changes to the superannuation performance test as regular changes come at a cost for consumers as trustees re-evaluate and adjust their investment strategies relative to the new benchmarks."

"Performance testing of superannuation products has been successful, with 17 MySuper products exiting the market by merging with another fund, resulting in the transfer of \$75.5 billion in retirement savings to higher performing products across 1.4 million member accounts since the first test in 2021.

"The case for material consumer benefits in addition to the broader economic benefits to Australia should be clear before further changes are implemented to offset the inherent transition costs of further tinkering.

"The consultation also will provide a further opportunity to address known methodological issues and regulatory barriers to product modernisation when performance testing Trustee Directed Products, which commenced this year."

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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.