



MEDIA RELEASE

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FSC Statement on the 2015 Federal Budget

The Financial Services Council has welcomed the 2015 Federal Budget handed down by the Treasurer tonight.

Sally Loane, CEO of the FSC said: “Tonight is the first Budget in recent memory where there has been no tinkering with superannuation. The government has exercised prudence in keeping changes to superannuation out of the Budget cycle and putting them into the broader and more sustainable policy agenda.”

“The FSC has long supported removing superannuation from the Budget cycle so confidence in the system can be maintained. It is a very positive sign for consumers that there has been no tinkering with super,” she said.

Superannuation and National Retirement Policy

Sally Loane said: “It is good news for Australians that any possible changes to super have been kept out of the budget cycle and will be part of the tax white paper in the context of developing a national retirement policy.”

“As well, the FSC supports the Government’s reforms to tighten the eligibility rules around access to the age pension announced in tonight’s budget.”

“The FSC has long been concerned that the stability of Australia’s retirement system has been undermined by over-generous eligibility rules which allow couples to own their own home, have over \$1 million in assets and to receive the age pension.”

Ms Loane said the Government’s announcement to raise the threshold for the full age pension will create more equity for retired Australians.

“The living standards of lower income retirees will be improved, while at the same time the taper rate will be increased to ensure higher income retirees are required to spend their private savings before falling back on the Government purse. These reforms improve the integrity and targeting of the retirement system.”

“Pension reforms must be part of a national debate on a holistic national retirement policy. The age pension, superannuation and tax systems must be aligned to deliver fairer and better outcomes for Australia’s aging community.

“We need to build a national retirement system that removes dependency on the public purse. Welfare is for Australians who need a safety net. Superannuation is the vehicle to help Australians save to provide for their retirement, and we expect the tax white paper process to focus on how to improve the super system to deliver this outcome.”

Financial Services Exports

The FSC has also welcomed the government's commitment to support an understanding of the recent trade agreements with South Korea, Japan and China and to boost financial services exports.

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About the Financial Services Council

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and Public Trustees. The Council has over 120 members who are responsible for investing more than \$2.5 trillion on behalf of 11 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 third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.