



MEDIA RELEASE

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FSC WELCOMES PASSAGE OF IMPORTANT SUPERANNUATION SAFEGUARDS

The Financial Services Council has welcomed the Senate's passage of superannuation bills but has cautioned against a piecemeal approach to ongoing superannuation regulation.

"The FSC is pleased changes have passed the Senate to reduce the fees charged on low balance MySuper accounts, to ban exit fees and consolidate inactive accounts," FSC CEO Sally Loane said.

"The fee cap and consolidation measures in Protecting Your Super legislation are important steps toward fixing the default superannuation system and delivering better outcomes for consumers and will signal the beginning of the end of the so-called 'zombie' super accounts identified by the Productivity Commission."

"However, for insurance in super, we remain concerned by the retrospective nature of this Bill and the compressed timeframes for communications to members about the changes."

Ms Loane said that superannuation reform needs to continue, most particularly the decoupling of default superannuation with the industrial relations system, if Australia was to deliver flexibility, competition and choice for consumers.

"We are happy to see the Member Outcomes 1 legislation finally progress to the Lower House but we are very concerned late amendments to the Bill will potentially lead to more politicization of super, in that the minister of the day will have more power than the regulator, APRA, in determining how fund performance is assessed," Ms Loane said.

"Australians must retain the right to choose a superannuation fund that best meets their needs, without political overlays. A rushed, poorly considered approach to superannuation will not serve consumers well, and it doesn't strengthen our world class system."

Ms Loane said the FSC would continue to ask parliament to take a measured approach to reforms following the release of the Royal Commission report, which was released less than two weeks ago.

The FSC has also welcomed passage of the *Treasury Laws Amendment (2018 Measures No.4) Bill 2018*, *Treasury Laws Amendment (2018 Measures No.5) Bill 2018*, and *Social Services and Other Legislation Amendment (Supporting Retirement Incomes) Bill 2018* this week.

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About the Financial Services Council

The Financial Services Council (FSC) is a leading peak body which sets mandatory Standards and develops policy for more than 100 member companies in Australia's largest industry sector, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed

trustee companies. 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 almost \$3 trillion on behalf of more than 14.8 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 fourth largest pool of managed funds in the world.