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MEDIA RELEASE: Super reform package brings new age of transparency and accountability

The Financial Services Council (FSC) today welcomed the Government announcing its intention to reform the 25 year old superannuation system to make it more transparent, competitive and accountable to consumers.

Central to the package of superannuation reforms announced by the Government today that will result in better outcomes for consumers, is a new requirement for superannuation funds to hold annual general meetings for members, just as publically listed companies are required to for their shareholders.

Consumers should rightly have the power to ask questions of the directors and senior managers of their funds about how they are run, how their fees are spent and where their retirement savings are invested.

This reform package is part of what the FSC calls Super 2.0 - a flexible and innovative model of super based on choice and competition, which will deliver better outcomes for consumers.

FSC CEO Sally Loane said: "The FSC strongly supports all proposals which give consumers more power and greater transparency over one of their most important assets – their superannuation savings.

"A more transparent superannuation system will enable the prudential regulator, APRA, to take action over underperformance of subscale funds. The FSC urges the government to ensure these reforms are accompanied by legislation to enable consumers to be able to choose the fund they want, and which would also allow competition into the default market."

Life Insurance in group superannuation is an important piece of public policy and a valuable safety net that delivers benefits very efficiently and effectively for millions of Australians. However, the FSC supports reforms that make it simpler for those people who don't wish to have insurance cover inside superannuation to opt out if that is their choice. Consumers do need to fully understand the ramifications of opting out – and once they understand that, we support giving them easier options to do so.

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About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing more than \$2.7 trillion on behalf of 13 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. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.