



MEDIA RELEASE

Friday 27 September 2019

FSC WELCOMES RETIREMENT INCOME REVIEW

The Financial Services Council (FSC) today welcomed the Government's announcement of a review of the retirement income system and the members appointed to conduct the Review.

FSC CEO Sally Loane said the FSC will work closely with the Review to ensure continuing improvements to Australia's retirement income system, particularly through our unique superannuation system.

"Superannuation consumers receive significant benefits from competition and choice, and this will be an important focus of the FSC's approach to the Review," Ms Loane said.

"However, this review should not delay important reforms that the Government has already committed to that will significantly improve consumer outcomes in superannuation.

"These include the introduction of a 'default once' framework to prevent unintended multiple accounts, as recommended by both Commissioner Kenneth Hayne and the recent Productivity Commission review of superannuation, and legislating an obligation for trustees to consider the retirement needs of their members."

The FSC will also suggest to the Review that:

- the Government should retain its policy of increasing the Superannuation Guarantee to 12 per cent;
- superannuation laws should be simplified, and red tape in the sector should be removed including barriers to rationalising legacy products; and
- there is no need for further tax increases on superannuation, because our system, as measured against OECD standards, is not unfairly beneficial to higher income earners.

"The FSC looks forward to advocating strongly for these positions during the Review process over the coming year," Ms Loane said.

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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 \$3 trillion on behalf of more than 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 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.