



MEDIA RELEASE

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POSITIVE STEP FORWARD FOR DEFAULT SUPERANNUATION

The Financial Services Council (FSC) today welcomed the introduction of the Treasury Laws Amendment (Your Superannuation, Your Choice) Bill 2019 as a vital step in modernising the default superannuation system.

FSC CEO Sally Loane said it was vital that these long-overdue measures have been reintroduced, to ensure that all workers have the option of making an active choice when it comes to their superannuation fund.

Under current superannuation laws, around one million Australians cannot choose the superannuation fund their superannuation entitlement is paid into, even if they want to.

“It’s unacceptable that even today, when there is so much pressure on super funds to modernise and be more efficient, a worker can arrive at a new job only to find they must open a new superannuation account with a fund specified in an enterprise agreement – whether they want to or not,” Ms Loane said.

“This is particularly important for the two million Australians working multiple jobs, who may still today find themselves in the position of being required under outdated superannuation laws to have multiple accounts. This erodes their capacity to maximise their super savings.”

The recent landmark Fair Work decision to reject Kmart’s proposed enterprise agreement makes it clear that time is up for restrictive workplace agreements, echoing the findings of the Productivity Commission that these arrangements do not benefit workers.

“Safeguarding the right of workers to choose their own superannuation fund is fundamental, but there is also more to be done to ensure that our default superannuation system serves all Australians, whether or not they are engaged with their superannuation.”

“We continue to urge the Government to enact the recommendations of the Productivity Commission and Royal Commission and implement a default once system for superannuation so that all Australians can take their super fund with them from job to job, just as they do with bank accounts and tax file numbers,” Ms Loane said.

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About the Financial Services Council

The Financial Services Council (FSC) has more than 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 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. The FSC's mission is to protect and enhance confidence in a strong, sustainable financial services sector that serves Australians with integrity