



MEDIA RELEASE

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FSC SUBMISSION: RETIREMENT INCOME REVIEW

The Financial Services Council (FSC) today released its submission to the Government's Retirement Income Review, highlighting research recommendations to improve confidence in the superannuation system.

The FSC submission provides substantial data and analysis, with a key policy focus on:

- the need for a clear, agreed objective of superannuation to underpin policy decisions;
- the importance of key reforms to improve the system and deliver improved consumer outcomes, including the introduction of a 'default once' framework and a retirement incomes covenant, to support good retirement outcomes;
- supporting an increase of the Superannuation Guarantee to 12% by demonstrating that many Australians will have inadequate retirement incomes without the increase;
- demonstrating that the current taxation settings for superannuation are broadly fair for Australians regardless of their income level; and
- showing that superannuation reduces the economic burden of the Age Pension, but means testing is arguably too strict in its application.

FSC CEO Sally Loane said compulsory super was a sound and valuable public policy and it was delivering better retirement outcomes to all Australians.

"The focus now needs to be on how to improve the system, make it more efficient and effective, and end the scourge of multiple funds created by our inefficient default system. This needs to be implemented as a matter of urgency by making sure people can default once and carry their fund from job to job like they do with their bank account or Tax File Number," Ms Loane said.

The FSC has provided the Review with data showing that Australia's three-tiered retirement system is well targeted at boosting retirement incomes at the low income end, while providing moderate, though not excessive, tax incentives across all income ranges.

"In comparison to other countries, the Australian aged pension is highly targeted producing a fair and stable system. The Australian superannuation tax system provides roughly equivalent

tax benefits to low, middle and higher income earners. In other words, the system is fair for the community as a whole.”

Read the submission in full here: <https://fsc.org.au/resources/1931-fsc-submission-retirement-incomes-review/file>

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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 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.