



## **MEDIA RELEASE**

Monday 24 August 2020

### **FSC WELCOMES NSW'S PLAN TO ABOLISH INSURANCE DUTIES - REVIEW OF FEDERAL FINANCIAL RELATIONS**

The Financial Services Council (FSC) has released its submission to the draft report of the New South Wales (NSW) review of Federal Financial Relations, welcoming a key finding.

The FSC welcomes the draft report's recommendations to abolish insurance duties. We recommend the final report bolster its arguments, especially by examining and calling out the harmful and regressive effects of duties on life insurance on our retirement savings system. FSC analysis shows that life insurance duties reduce superannuation savings by \$235 million per year.

The FSC submission also:

- Supports proposals that major state tax reforms should not be discouraged by the GST distribution formula;
- Argues that the Review should consider more targeted reforms to payroll tax, in the event the Government is unable to implement its more comprehensive model of reducing or removing payroll tax exemption thresholds; and
- Recommends some changes to the Review's approach to modelling the economic impact of Federal and State taxes.

The submission is available from this link: <https://fsc.org.au/resources/2059-response-to-the-draft-report-of-federal-financial-relations-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 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.