



MEDIA RELEASE

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GUARANTEED CHOICE OF SUPER FUND A WIN FOR AUSTRALIAN WORKERS

The Financial Services Council (FSC) today welcomed the passage of the *Treasury Laws Amendment (Your Superannuation Your Choice) Bill 2019*, which gives every employee the right to choose their own superannuation fund.

CEO Sally Loane said the FSC has strongly advocated for removing restrictions on choice in superannuation as there is no justification for preventing Australians from choosing a superannuation fund.

“This legislation finally ends the anachronistic practice of enterprise agreements locking workers into a specific fund and is a solid win for up to a million consumers who previously didn’t have the freedom to manage their retirement savings as they wish,” Ms Loane said.

“Many workers have been forced to choose between moving their superannuation into their employer’s specified fund or paying duplicate fees to keep multiple accounts open when they start a new job with an employer who does not offer choice – neither of which is a good consumer outcome.

“Ensuring that every Australian can choose their own superannuation fund is an important step in the modernisation and reform of the superannuation system to ensure it delivers good outcomes for all workers.

“The FSC also recognises and supports the sensible contribution to the debate by the independent Senator Rex Patrick, who amended the Bill to require the prudential regulator to review the impact of the amendments in due course and report to the Government.”

The Productivity Commission (PC) has found that an individual with two accounts over the course of their working life could be six per cent worse off at retirement as a result of duplicate fees and insurance premiums. The PC also found that there were 10 million “zombie” superannuation accounts costing Australians \$2.6 billion every year in excess fees and insurance costs.

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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.