

MEDIA RELEASE

28 August 2014

Fair Work Commission superannuation process a shambles

Continuing turmoil within the Fair Work Commission's Expert Panel for the selection of default superannuation funds under Modern Awards is extremely concerning, the Financial Services Council said today.

"The FWC process is discredited and dysfunctional. It must be abolished in favour of an open and transparent process," John Brogden, CEO of the FSC said today.

"Ongoing conflicts and issues within the FWC Expert Panel are a breach of confidence in its effectiveness."

"The Fair Work Commission review process must be abolished. It is poorly designed, anti-competitive, conflicted and costly. It will cost superannuation fund members, taxpayers and employers a staggering \$400 million if it proceeds."

"Superannuation should not be part of the industrial system," Mr Brogden said.

"An open, competitive process should be adopted where all APRA-approved MySuper products can compete for default superannuation contributions."

"A genuinely competitive market will lead to more transparency, lower fees and better services for employers and employees," he said.

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About the Financial Services Council

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The Council has over 125 members who are responsible for investing more than \$2.3 trillion on behalf of 11 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 third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.