



## **MEDIA RELEASE**

**26 June 2014**

### **FSC Statement on Superannuation Governance**

The Government today announced major reforms to improve governance standards in the superannuation industry requiring all superannuation trustee boards to have independent directors and an independent chair.

This requirement will be mandated through legislation.

Independent directors on superannuation boards were recommended by reviews under both Labor and Liberal governments with the Super System Review in 2009 and the Financial System Inquiry in 2014.

Sally Loane, CEO of the Financial Services Council said: “Independent directors on trustee boards, appointed using a strong definition of independence, will ensure that the interests of consumers are put ahead of the interests of shareholders or a sponsoring organisation.”

“As superannuation grows from \$2 trillion today to \$7 trillion by 2035, good governance will be imperative for protecting consumers from potential conflicts of interest that may arise on boards of superannuation funds,” she said.

“The FSC has led the push for trustee independence since 2013 by requiring its members to have a majority of independent directors and an independent chair.”

“We urge the parliament to pass these reforms to strengthen consumer protections in the superannuation industry and which aim to prevent any conflicts of interests,” Ms Loane said.

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### **About the Financial Services Council**

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 130 members who are responsible for investing more than \$2.5 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 fourth 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.