

MEDIA RELEASE

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Statement from the Financial Services Council on the new Turnbull Ministry

The Financial Services Council (FSC) welcomes the Turnbull government's appointments of the Hon Scott Morrison as Treasurer and the Hon Kelly O'Dwyer as Assistant Treasurer. Both Ministers have significant policy experience that will provide Australia with much needed reform capability.

"Australia needs both focused financial services reform in this Parliamentary term and a mandate for structural tax reform in the next term," Andrew Bragg, acting CEO of the Financial Services Council said.

"We expect the new Treasury team will hit the ground running during this term to complete the reform agenda established by their predecessors."

"This includes delivering reforms to reduce superannuation fees, concluding the Financial System Inquiry (FSI) and creating more trade opportunities as Asian demand for financial services increases."

"The FSC agrees with the FSI findings that superannuation fees are too high due to a lack of competition and corporate governance in superannuation could be improved," Mr Bragg said.

"Life insurance reform is overdue. The sustainability reform proposals have taken five years to develop and must swiftly progress."

"New sources of growth will be critical as Australia's economy transitions. To create this growth, we need to increase financial services exports via services trade architecture."

"The China Australia Free Trade Agreement must be finalised and new free trade deals established with India, Indonesia and ASEAN."

Tax reform and redrawing Australia's Federation architecture must be a priority for the new Treasury team.

"Tax reform is essential as we cannot rely on personal and corporate income taxation as the primary revenue source in the future.

Australia needs a new tax mix to boost our competitiveness in this Asian century," Mr Bragg said. "Our tax system is inextricably linked to the Federation which is the core of the uncompetitive, unsustainable tax regime and needs to be overhauled."

The FSC also welcomes the appointment of Mr Alex Hawke, the Assistant Minister to the Treasurer.

We look forward to working with the new Treasury team and thank the outgoing Treasurer, the Hon Joe Hockey and the Assistant Treasurer, the Hon Josh Frydenberg for commencing many of these reform processes.

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About the Financial Services Council

The Financial Services Council (FSC) has over 115 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The industry is responsible for investing more than \$2.6 trillion on behalf of 11.5 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.