

MEDIA RELEASE

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Royal Commission into financial services unnecessary use of time and resources

Financial Services Council CEO, Sally Loane has rejected calls by Opposition Leader, Bill Shorten, for a Royal Commission into financial services calling it an unnecessary and inefficient use of time and resources.

“The financial services industry, which covers a vast range of businesses, including superannuation funds, life insurance and advice, is highly regulated and has been subject to enormous scrutiny over the years, including by the recent Financial System Inquiry,” Ms Loane said.

The financial services industry has been subject to no less than 14 separate reviews into the superannuation, financial advice and life insurance sectors over a recent period of time. Some of these have led to legislation, increased regulation and better consumer protections and outcomes. ”

“Where poor practices have been identified the financial services industry has led reviews to understand where consumers were affected and put legislation in place to permanently address shortcomings.”

In the past seven years there have been 14 inquiries into the superannuation, financial advice and life insurance sectors.

“Australia’s financial services industry is one of the most highly regulated in the world. It employs 451 000 people and contributes nine per cent to GDP. Underpinned by our world class superannuation system, the strength of our financial services sector was an effective buffer for our national economy during the global financial crisis.”

“A Royal Commission would be unnecessary and an ill-considered use of time and resources at a time when business, particularly the financial services sector, is looking for greater growth as Australia transitions from a resources economy to a services driven economy.”

Financial Services inquiries since 2009

1. The Super System Review (the “Cooper Review”)
2. Parliamentary Joint Committee on Corporations and Financial Services (PJC) (the “Ripoll Inquiry”)
3. Richard St John Review and Report- Compensation arrangements for consumers of financial services
4. Senate Economics Legislation Committee inquiry into [Corporations Amendment \(Streamlining of Future of Financial Advice\) Bill 2014 \[Provisions\]](#)
5. Senate Economics References Committee Scrutiny of Financial Advice Inquiry
6. Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Lifting the professional, ethical and education standards in the financial services industry
7. Senate Economics Legislation Committee inquiry into [Corporations Amendment \(Financial Advice\) Bill 2014](#)

8. ASIC Report 413 Review of retail life insurance advice
9. Trowbridge Review into the Life Insurance industry
10. Productivity Commission review into Superannuation Efficiency and Competitiveness
11. Treasury consultation into Lifting the professional, ethical and education standards in the financial services industry
12. Senate Economics Legislation Committee inquiry into [Corporations Amendment \(Life Insurance Remuneration Arrangements\) Bill 2016](#)
13. Senate Economics References Committee Scrutiny of Financial Advice Inquiry – Additional Insurance Terms of Reference
14. Financial System Inquiry (the “Murray Review.”)

[ENDS]

For further information contact: Robyn Tolhurst, Director of Communication T: 0411 177 773 E: rtolhurst@fsc.org.au

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.