

## **MEDIA RELEASE**

28 August 2016

### **LEGISLATIVE AGENDA MUST PRIORITISE OUTSTANDING REFORMS TO FINANCIAL SERVICES**

The first sitting period of Australia's 45<sup>th</sup> Parliament must follow the financial service industry's lead in prioritising essential reforms that will enhance consumer protections.

FSC CEO Sally Loane said: "The financial services industry is committed to a number of self-regulatory initiatives to strengthen both consumer protections and community trust and confidence.

"The FSC's Life Insurance Code of Practice is an important piece of self-regulation, and will be strongly complimented by legislative reforms in response to the Financial System Inquiry and Trowbridge Review," Ms Loane said.

Ms Loane urged the government and the parliament to prioritise the following matters:

- Reintroduction of the Life Insurance Reform Bill to address misaligned incentives and strengthen trust in life insurance;
- Introduction of legislation to increase standards required of financial advisers;
- Reintroduction of legislation to promote choice and competition and improved governance in the \$2 trillion superannuation industry;
- Development of new investment vehicles to drive exports from our \$2.6 trillion investment management industry; and
- A simplified, lower withholding tax regime for foreign investors to support Australian investment managers seeking growth and new markets in an increasingly competitive global environment.

"This package of legislative reforms for financial services was ready to be implemented by the last Parliament, and represents a much more effective and efficient course of action than an expensive and long-drawn out Royal Commission which would only derail reforms already in the pipeline," Ms Loane said.

The life insurance industry and the FSC are finalising the [Code of Practice](#), which will considerably strengthen consumer protections around life insurance.

The Code of Practice, which will commit life insurers to strong standards of customer service and provide protection to consumers in key areas of product design, sales practices, underwriting and claims, will be launched in October.

All life insurance companies which are members of the FSC are required to be compliant with the Code by 1 July 2017.

FSC's [Policy Priorities](#) provides an overview of our policy agenda for the year.

**[ENDS]**

For further information contact the FSC on (02) 9299 3022 or via [FSCMediaOffice@fsc.org.au](mailto:FSCMediaOffice@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.