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## **MEDIA RELEASE**

### **GOVERNMENT SUPER TAX CHANGES A STEP FORWARD – BUT COMPETITION REFORM IS THE PRIORITY**

The Financial Services Council is calling on both sides of politics to work towards a superannuation system that promotes choice and genuine competition, delivers for consumers and is fiscally sustainable over the long-term.

Four reviews in the past six years have made it clear the superannuation system must be reformed to promote choice and competition:

- ) All Australians should be free to choose their own superannuation fund;
- ) Comparable MySuper products should be free to compete on a level playing field where the barriers of industrial relations protection have been removed; and
- ) All trustees should be required to appoint independent directors, in part to facilitate industry consolidation.

Sally Loane, FSC CEO said: “Superannuation is a truly intergenerational policy, but the only way that our system can deliver for the Millennials and future generations is if these critical reforms happen.

“It is also crucial that the tax settings are sustainable.”

The FSC is broadly supportive of the superannuation tax proposals announced in the 2016 Federal Budget and has welcomed the Government's consultation with industry to work through implementation issues to minimise costs to funds and consumers.

The FSC is concerned that there remains significant cost to consumers arising from the Government's proposed changes to transition to retirement arrangements, but has welcomed the important measures to help women, carers and the self-employed save for their own retirement.

Labor's announcement today that it would take a package of additional superannuation taxes to the next Federal election is of concern. It will cause further uncertainty for savers and the changes that target women, carers and the self-employed in particular are poorly conceived.

Ms Loane said: “Australians want certainty and confidence in superannuation. They want to be free to choose their own super fund and they want employers to be able to offer them a choice of funds.

“More than anything they want political parties to draw a line in the sand under changes to the tax treatment of super so they can plan confidently for their financial futures.”

**ENDS**

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**About the Financial Services Council**

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing more than \$2.7 trillion on behalf of 13.0 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.