

## **ALP – FINANCIAL SERVICES POLICY**

### **Henry Review – Retirement Incomes Adequacy**

The two-year Treasury led Future Tax System Review (Henry Review) examined elements of the taxation system (including study of retirement incomes).

Labor's response to the review included the following announcements:

- 9-12% Superannuation Guarantee by 2019
- Raising the superannuation guarantee age limit from 70 to 75
- Low income earners to receive Government contribution of \$500 and have their contribution tax refunded
- Increase the concessional contribution caps for over 50s for the super balances of less than \$500,000

### **PJC Review - Future of Financial Advice**

From February to November 2009, the Parliamentary Joint Committee into Corporations and Financial Services undertook a review of financial products and services in Australia.

In response to this Review, Labor announced the FoFA package which includes:

- A prospective ban on conflicted remuneration structures including commissions and volume based payments
- The introduction of a statutory fiduciary duty so that financial advisers must act in the best interests of their clients
- Increasing transparency and flexibility of payments for financial advice by introducing an 'adviser charging' regime
- Percentage-based fees (known as assets under management fees) will only be charged on un-gearred products or investment amounts and only if this is agreed to with the retail investor
- Expanding the availability of low cost 'simple advice'
- The majority of these reforms will commence from 1 July 2012 and the Government will consult with industry on the implementation of the reforms

### **Cooper Review– Super System Review**

The Review as announced by Labor in April 2009 was tasked with examining the governance, structure, operation and efficiency of the superannuation system.

Labor's initial response has provided the following positions:

- Endorsed MySuper as proposed by the Cooper Review. In adopting MySuper, Labor's policy improves elements of the Cooper Review's proposal for default superannuation
- Widened the usage of Tax File Numbers
- Indicated in-principal support for SuperStream
- Indicated it will provide a further response to the remaining elements of the Review

### **Johnson Report – Australia as Financial Centre**

Labor provided its official response in May 2010, effectively endorsing all the key recommendations in the Report.

- Labor has established a number of processes to ensure the recommendations are implemented
- Key recommendations include the introduction of an Investment Manager Regime (IMR) and an Asia Pacific Funds Management Passport with work underway on each.