



FINANCIAL PLANNING
ASSOCIATION of AUSTRALIA

29 September 2017

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Email: economics.sen@aph.gov.au

Re. **Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017 and Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017**

Dear Secretariat,

The Financial Planning Association of Australia (FPA) welcomes the opportunity to comment on *Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017 and Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017*.

We support the measures in *Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017* to require at least one-third of directors (including the Chair) of the corporate trustee, or one-third of individual trustees, of a RSE licensee to be independent. We also support the broadening of the range of circumstances taken into account when considering a person's ability to exercise independent judgement. These measures will increase the diversity of views within the board or group of trustees of RSE licensees and enhance decision-making.

We also support the three-year transition period for existing RSE licensees to meet the new requirements. This period is reasonable given the need to restructure the board of the corporate trustee, or the group of individual trustees, of the RSE licensee.

In addition, we support *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017*. It is appropriate, given the compulsory nature of superannuation, that each trustee of an RSE licensee's default superannuation products be obliged to consider the prescribed criteria in determining whether the trustee is promoting the financial interests of the beneficiaries of the fund.

It is also appropriate that a director of an RSE licensee can be subject to civil penalties if they breach the general director covenants or the enhanced MySuper director duties. This will help promote the accountability of directors of a corporate trustee of an RSE licensee.

If you have any queries or comments, please do not hesitate to contact me at policy@fpa.com.au or on 02 9220 4500.

Yours sincerely

Dimitri Diamantes

Policy Manager

Financial Planning Association of Australia¹

¹ The Financial Planning Association (FPA) has more than 12,000 members and affiliates of whom 10,000 are practising financial planners and 5,600 CFP professionals. The FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first "policy pillar" is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of FOFA.
- We have an independent conduct review panel, Chaired by Mark Vincent, dealing with investigations and complaints against our members for breaches of our professional rules.
- The first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices. This is being exported to 24 member countries and the 150,000 CFP practitioners that make up the FPSB globally.
- We have built a curriculum with 17 Australian Universities for degrees in financial planning. As at the 1st July 2013 all new members of the FPA will be required to hold, as a minimum, an approved undergraduate degree.
- CFP certification is the pre-eminent certification in financial planning globally. The educational requirements and standards to attain CFP standing are equal to other professional bodies, eg CPA Australia.
- We are recognised as a professional body by the Tax Practitioners Board

