

6 December 2013

Mr John Lonsdale  
Head of Secretariat  
Financial System Inquiry  
The Treasury  
Langton Crescent  
CANBERRA ACT 2601

Dear Mr Lonsdale

**FSC SUBMISSION – DRAFT TERMS OF REFERENCE – FINANCIAL SYSTEM INQUIRY**

Thank you for the opportunity to provide a submission on the draft Terms of Reference.

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and public trustees. The FSC has over 130 members who are responsible for investing \$2.2 trillion on behalf of more than 11 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 fourth largest pool of managed funds in the world. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.

The FSC is supportive of the draft Terms of Reference as they will permit an open-ended examination of the financial system.

We particularly welcome the focus upon:

- International competitiveness;
- Funding the future needs of Australian households and businesses;
- Domestic efficiency, competition, sustainability and cost of regulation;
- Technological change and innovation; and
- Regulatory architecture.

The FSC will develop a considered, multi-faceted submission to the inquiry. We look forward to meeting with the Panel and Secretariat throughout 2014.

Please contact me with any questions.

Yours sincerely



**ANDREW BRAGG**  
SENIOR POLICY MANAGER