

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Financial System Division

Question No: 202

Topic: Approved Product Lists

Reference: Written

Senator: Ketter, Chris

Question:

1. On 6 November 2015, the Minister for Financial Services released the Government's retail life insurance industry reforms, which included vesting the Financial Services Council (FSC) with responsibility for developing an Industry Standard to widen Approved Product Lists (APLs). Is Treasury aware of the status of this important initiative that, if properly implemented, will significantly enhance consumer choice and best interest?
2. Is Treasury aware that the draft APL Industry Standard circulated to the FSC's members for comment on 12 April 2017 – almost 18 months after the Minister's request
- will in no way provide for the widening of APLs, but only commits FSC members to having an 'off-APL' process and providing for a 'reasonable' construction of their APL?
3. Does Treasury agree that the FSC's draft APL Industry Standard is another example of failed industry self-regulation and that is time for this issue to be handed over to ASIC to establish a regulatory framework to ensure vertically integrated life insurance entities offer an open APL?

Answer:

1. Treasury is aware of the status of the FSC's work on developing an industry standard to widen approved product lists.
2. Treasury is aware of the content of the FSC's draft industry standard.
3. Treasury is unable to provide an opinion on this matter.