

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

FINANCIAL ADVICE SECTOR

Industry Fund Services

IFS01QON:

Ms Bowtell: The clients are the funds. We have one team that provides advice directly to individuals—

Mr FALINSKI: Sorry, Chair, can I interrupt? I'm finding this a bit confusing. Ms Bowtell, how many people do you have operating in the business-to-consumer market as planners or advisers?

Ms Bowtell: None, but let me clarify. We have none who are, at large, accepting members off the street to come and speak to them, if that makes sense. We have one team that receives referrals from a fund—

Mr FALINSKI: Sorry to interrupt, but how big is that team?

Ms Bowtell: There are four planners in that team at the moment.

Mr FALINSKI: Is it just one fund, or is it all the funds?

Ms Bowtell: One fund.

Mr FALINSKI: Do you mind telling us which one, as a matter of interest? You don't have to.

Ms Bowtell: I'd rather get that fund's permission.

Mr FALINSKI: That's fine.

CHAIR: For clarity, can you take that question on notice, please. We'd like to know the answer.

Ms Bowtell: Yes.

ANSWER:

IFS has three models in its Advice Solutions business.

The most common model is our Authorised Representative model, where, the client superannuation fund employs the planners who are Authorised Representatives of IFS. The trustee is responsible for day to day management of the planners, and IFS is responsible for supporting the planners to provide compliant advice.

The second model is the Representative model, where IFS employs the planners who are allocated to work exclusively with the members of our client fund. The trustee and IFS collaborate to manage the planners' productivity, and IFS is responsible for supporting the planners to provide compliant advice.

The third model is a variation on the Representative model, where IFS employs the planners who are allocated to work exclusively with the members of our client fund and the trustee refers members seeking financial advice to IFS as its preferred advice provider. Under this model, IFS alone manages the planners' productivity and is responsible for supporting the planners to provide compliant advice. This model was the subject of the discussion with Mr Falinski. The only client operating under this model is SuperSA.