



Financial Planning



Certified Financial Planners™

"5 Star Complex" 158 Gordon St (PO Box 272),
Port Macquarie NSW 2444

Ph: (02) 6583 2211 **Fax:** (02) 6583 2303

Email: admin@compassfm.net.au

The Committee Secretary
Parliamentary Joint Committee on
Corporations and Financial Services
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

17th August 2006

Dear Sir,

Inquiry into Structure of Superannuation Industry

I wish to provide this submission to the Committee for its consideration on the issue of **"the role of advice in superannuation"**.

As a Certified Financial Planner™ I am concerned at the conflicting messages that appear to be coming from ASIC in relation to the importance of planning and financial literacy in Australia.

On one hand ASIC support the launch of the governments campaign to raise financial literacy (Understanding Money) among the general public for which they should be applauded. Then on the other hand they make it almost impossible for qualified professionals to provide advice on superannuation to "mums and dads" through the introduction of the FSRA reforms and requirements under Super Choice.

The FSRA reforms have imposed a costly and detailed level of regulatory compliance on financial planners advising clients on superannuation and this has made it almost impossible to provide cost effective advice to this sector.

Superannuation and retirement planning involves far more than simply providing a comparison based on fees. Professional retirement planning advice to a client will involve consideration of issues such as the client's lifestyle and retirement goals, the breadth and depth of investments based upon their risk profile, salary sacrifice strategies and determining adequate levels of risk insurance. Superannuation advice will also include guidance on nomination of dependants and binding death benefit nominations.

The provision of advice enabling pro active planning for the future is critical to the average Australians ability to put themselves in a position of self sufficiency in retirement, while also covering the issues that may impact them along the way (i.e death or disablement)

Warrick Affleck B.Comm CFP®
Authorised Representative

"For Your Financial Direction"

Robert de Lepervanche JP B.Ag.Econ CFP®
Authorised Representative



It has become particularly difficult to provide advice to clients with lower levels of superannuation savings (arguably those in most need of advice) because of the complexity of regulation and lack of regulatory support for the value of advice coupled with the client's inability to pay.

I would urge the Committee to recommend the reduction of overly complex regulation in order to promote the provision of appropriate scalable advice on superannuation to all sectors of the community.

Yours Sincerely

R de Lepervanche

Robert de Lepervanche CFP®
B. Ag Econ, JP

Warrick Affleck B.Comm CFP®
Authorised Representative

“For Your Financial Direction”

Robert de Lepervanche JP B.Ag.Econ CFP®
Authorised Representative



FPA Principal Member

AXA Financial Planning Limited ABN 21 005 799 977
Australian Financial Services Licensee Licence Number 234663
Principal Address Level 3 447 Collins Street GPO Box 2830AA Melbourne Victoria 3000
www.axa.com.au

All information and advice is for the private use of the person to whom it is provided. The Authorised Representative provides you with advisory services in accordance with the disclosure to the Financial Services Guide. AXA Financial Planning is responsible to you for all conduct.