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



17 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 CPA and professional financial planner I am concerned at the regulatory obstacles confronting the provision of affordable, high quality professional advice on Superannuation.

I have been involved in the Financial Services Industry for over 40 years.

Since the introduction of FSR the costs of running my business have increased by over \$50,000 pa.

I have lost my independence because as a small business I have been forced to be an authority holder of a licenced Institution. I attempted to avoid the loss of my independence and applied for a Licence, couldn't get passed first base due to the inability to obtain PI Insurance at a reasonable rate and it was clear to me that the Government did not want individual operators, it was much easier to control the Industry if we could be herded into large organizations and make them responsible for our actions. Prior to FSR I operated as a Multi Agent which gave me independence and the ability to provide the best Products for my clients without the restrictions and controls exercised by an Institution.

The Multi Agent system was destroyed by FSR with the support of Financial Institutions in their endeavor to control distribution.

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.

Indeed without the benefit of ongoing professional advice it is unlikely that a large percentage of Australians will achieve their retirement goals at a time when the Federal government is going to be burdened with an increasingly aging population and continuing demands on the Age Pension system.

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

Warren J Welch of Warren J Welch Pty Ltd Email welch@bigpond.net.au

A handwritten signature in black ink, appearing to read "Warren J Welch".