

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



21st August 2006

Dear Sir,

Inquiry into Structure and Operation of the Superannuation Industry

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

I recently set up my own financial planning business based upon

- a 'fee for service' model to avoid the complexities and issues involved with a commission based remuneration structure, and
- assisting clients overcome the complexities associated with 'super choice'.

I now find that I am being consistently required by the current regulations to price myself out of the market I wish to assist – those younger members of the community who have the greatest need for sound financial planning advice and personal insurance protection.

Both of the issues of superannuation choice and personal insurance protection are high on both the economic and political agenda but as a professional financial planner I am concerned at the regulatory obstacles confronting the provision of affordable, high quality professional advice.

The ability for me to provide objective and balanced advice in the area of superannuation has been rendered extremely difficult since the introduction of the FSRA reforms and then more recently Super Choice. It was always my impression that the current Federal government's policy on super choice was for all citizens to be able to make informed decisions about their retirement planning without the imposition of a high cost of obtaining service.

This cannot happen under the current 'rules'.

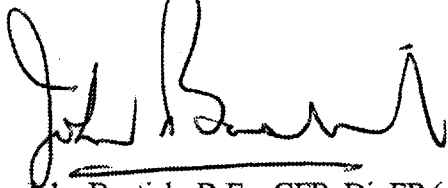
Despite all the recent publicity about superannuation simplification, it certainly has not reduced the need for citizen's to seek informed advice and assistance from qualified financial planning professionals.

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 ageing population and continuing demands on the Age Pension system.

Each and every financial planner is now under scrutiny. The Australian public need more financial planners to service increasingly more complex issues and the current environment is not assisting with the recruitment of new advisers, who by necessity, must replace those current advisers who will retire certainly within the next 5 – 10 years.

I ask that measures be put in place which will ease the compliance burden upon those advisers who are genuinely attempting to assist Australians in the greatest need.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Bastick', with a horizontal line drawn underneath it.

John Bastick, B Ec, CFP, DipFP (ex FCPA)