

30th August 2006

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

Dear Sir,

INQUIRY INTO STRUCTURE OF SUPERANNUATION INDUSTRY

I would like to submit the following comments to the Committee for its consideration on the issue of "the role of advice in superannuation".

As a professional financial planner I am concerned at the regulatory obstacles confronting the provision of affordable, high quality professional advice on superannuation. The ability for financial planners to provide advice in the area of superannuation has been rendered extremely difficult since the introduction of the FSRA reforms (and Super Choice). The FSRA reforms have imposed a costly and detrimental level of regulatory compliance on financial planners advising clients on superannuation and this has been further compounded by ASIC's irrational attacks on the advice industry and APRA's non recognition of independent planning advice in their Circular II.D.1. on super switching.

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

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.

No other industry is so highly regulated (and systematically stifled). Our Accountant brothers in particular seem to still enjoy relative freedom to give "advice" on virtually any financial matter (mostly in verbal form), Mortgage Brokers and Real Estate Salespeople have enormous freedom to suggest people enter into "financial arrangements" without any repercussions.

Financial Planners in the majority possess high levels of professional knowledge and experience and yet are absolutely prohibited from breathing a word of non written advice in any circumstance.

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



BRUCE BRAWN, CFP