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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

27 September 2006

Dear Sir,

Inquiry into Structure of Superannuation Industry

As a professional financial planner, I wish to provide this submission to the Committee for its consideration on the issue of **"the role of advice in superannuation"**.

Regulation has put the Financial Advice industry in a very sad place, where the losers are consumers. This outcome is the exact opposite of FSRA's intention, being consumer protection.

Consider a comparison between the consumer's interaction with a medical professional and a financial planning professional:

In the first case, there's a problem, a discussion, investigation, often verbal advice, some acceptance of risk by the patient, maybe a waiver, implementation and follow up. If the problem is simple, it can be solved in 15 minutes, with the doctor making some file notes for future reference (and legal protection).

In the second case, there's a problem, a discussion, investigation, written advice, some acceptance of risk by the client, plenty of disclaimers, implementation and review. If the problem is simple, it can be solved in 3+ hours, with the planner making voluminous reports and file notes for legal protection (and future reference).

The reason I say this is a sad state of affairs is that in many day to day plans, the advice could be considered and explained in close to 15 minutes! The client value is in the interaction, the thinking and strategy consideration, but the cost is in the time consuming compliance work.

Between the current regulations and ASIC's approach, dealer groups are concerned about risk minimisation, and I'm seeing other planners stop seeking new clients, preferring to cut costs and continue delivering service to their existing client base.

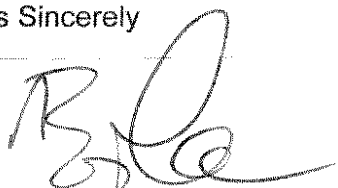
My own experience is that my clients receive a great benefit from our advice, far in excess of any fees charged. The current reality is that our time based fees are forcing many of our traditional middle class clients out of the advice market, to their detriment.

Now, just as there are simple and complex medical problems, so too are there simple and complex financial planning issues. However, across the board I am confident and proud of the value delivered by my practice and industry peers. However, I would like to see the value to consumers and accessibility to advice increased- which requires a radical rethink of the current regulatory framework.

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.

Please note that these are my personal views and not those of my AFS Licence holder.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Alex Berlee', written over a horizontal line.

Alex Berlee, B.Ec, CFP, JP

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