



## MEDIA RELEASE

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### **FSC LAUNCHES GROUNDBREAKING RESEARCH ON FUTURE OF ADVICE**

The Financial Services Council (FSC) has today launched a research report by Rice Warner which offers some radical ideas for restructuring the model for financial advice which will start a policy debate on how to make advice more affordable and accessible.

Rice Warner proposes a future financial advice model which includes:

- All advice to be one of two categories – strategic advice and financial product advice;
- New definitions of financial advice – general information; and personal advice separated into simple personal advice, complex personal advice, and specialised advice;
- New principles to refocus the system – simplification, affordability, accessibility, consistency, and quality of advice;
- Less documentation – for example, allowing a Fact Find and a Record of Advice for the provision of Simple Personal Advice;
- Realistic and less costly levels of compliance; and
- Tax deductibility for financial advice.

FSC CEO Sally Loane said: “Quality financial advice is needed now more than ever as the economic impacts of the coronavirus pandemic are felt by individuals right across the nation. The Rice Warner Future of Advice report starts an important policy debate on how we can re-build a simpler and more affordable advice industry.”

“Rice Warner’s research examines both the need for advice, and the value of advice. It shows evident benefits of financial advice to the health and wellbeing of individual consumers, as well broader economic benefits such as reduced long-term expenditure on the Age Pension,” Ms Loane said.

The FSC will consider Rice Warner’s research as well as engaging extensively with stakeholders, including Australia’s financial advisers, ahead of launching a policy document or Green Paper on Financial Advice next year, a critical step in policy development.

Ms Loane said: “The aim is to build a new model for financial advice which not only makes professional quality advice more affordable and accessible for consumers, but also removes the mass of costly compliance and regulatory burden on the sector.

“With advisers leaving the industry in record levels – Rice Warner reports 15 per cent last year and an anticipated fall of a further 36 per cent over the next five years - we need to act now to change the system.”

A full copy of the report can be downloaded [here](#).

- Ends

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**About the Financial Services Council**

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.