



MEDIA RELEASE

Monday 30 August 2021

FSC WELCOMES ASIC LEVY FREEZE FOR FINANCIAL ADVICE

The Financial Services Council (FSC) has today welcomed the Government's decision to provide temporary and targeted relief to financial advisers, by reducing the cost recovery levies charged by ASIC.

FSC CEO Sally Loane said: "We are pleased the Government has recognised the cost pressures on the financial advice sector. The temporary relief will give the 19,000 advisers in the sector hope the Government understands the challenges facing the financial advice industry and will take further action to reduce the costs of regulatory burden on advisers.

"The FSC's Green Paper *Affordable and Accessible Advice* noted advice licensees are facing significant regulatory costs that are resulting in advisers leaving the industry. Financial advice has been subject to a "Gordian knot" of prescriptive and overlapping compliance, which has significantly added to their cost of doing business and made advice more expensive for Australians. Advisers need the opportunity to spend more time with their clients, particularly as we try to recover from the pandemic," Ms Loane said.

"The FSC also welcomes the Government's announcement that it will review ASIC's Industry Funding Model while this relief is in place to ensure that it remains fit for purpose."

As the industry collaborates on ways the cost of financial advice can be reduced, today's announcement gives hope of more substantive deregulation following the Government's Review of the Quality of Financial Advice post 2022. Reforms to reduce the cost of advice have been proposed in the FSC's Green Paper and soon to be released White Paper on Financial Advice.

- Ends

Contact: Esther Jago on 0421 102 944 or ejago@fsc.org.au

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.