



MEDIA RELEASE

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REFORMS TO REDUCE THE COST OF PROVIDING FINANCIAL ADVICE

The Financial Services Council (FSC) welcomes the Government's comprehensive framework to deliver on its commitment to make financial advice more accessible and affordable for millions of Australians.

CEO of the FSC Blake Briggs said: "The Government's policy commitment to abolish the safe harbour steps and simplify statements of advice are key to reducing the excessive regulatory cost burden on financial advice.

"FSC research has shown removing the safe harbour steps and simplifying disclosure has the potential to reduce the cost of providing financial advice by nearly 40 per cent."

The Government has announced a broad package of policy commitments, including:

- Abolishing the safe harbour steps for meeting the Best Interests Duty, acknowledging financial advice is a profession and removing tick-box compliance;
- Introducing an advice record that is technology neutral to enable digital advice, focusing on equipping consumers with the information they need to make the best financial decisions;
- Introducing a category of qualified, employed advisers for the superannuation and broader financial services sector to deliver simple advice; and
- Expanding the range of topics on which superannuation funds can provide financial advice to their consumers.

The Government has confirmed that by expanding the topics that a superannuation fund can provide advice and nudges on for their members this will assist the industry implement the Retirement Income Covenant.

Translating these policy principles into legislation over coming months will be key to determining whether consumers can access the right advice at retirement to make informed investment and product choices.

"Superannuation funds are an important source of advice for consumers, particularly as they approach retirement, and the Government's policy has the capacity to unlock industry investment in retirement advice and low-cost digital advice solutions," Mr Briggs added.

"Every consumer has unique retirement needs and the Government's recent consultation on expanding the suite of retirement income products available to consumers will not be successful without greater access to personal advice at retirement."

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 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 one of the largest pools of managed funds in the world.