

MEDIA RELEASE

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Parliamentary Inquiry must focus on the future and the past FSC says

The financial advice industry is open to any Parliamentary inquiry provided it focuses on the future, not just the past, the Financial Services Council said today.

John Brogden, CEO of the FSC said: "The industry is an open book. We will work with any public inquiry."

He was speaking in response to an announcement made by the Leader of the Opposition – The Hon Bill Shorten MP, Shadow Treasurer – The Hon Chris Bowen MP and Shadow Minister for Financial Services and Superannuation – The Hon Bernie Rippoll MP today which called for a Senate inquiry into the financial advice sector.

"However, the Parliament needs to ensure they review whether the Opposition's FoFA laws will actually deliver more affordable and accessible quality advice – as promised when they announced the FoFA legislation in April 2010," Mr Brogden said.

"Everybody agrees more Australians should get financial advice."

"Whilst FoFA has delivered reforms over the past five years that give the best consumer protections in the world, it will fail if millions more working Australians do not seek financial advice."

"We believe the Government's proposed changes to FoFA will make advice more affordable and accessible while maintaining quality and consumer protection."

Mr Brogden also said: "The financial advice industry has been through several inquiries since the GFC which have resulted in significant legislative changes," Mr Brogden said. (* see Appendix)

"We are still in the process of implementing the MySuper, FoFA and TASA regimes which are the result of inquiries into all aspects of financial services practises from 2009 to date."

Mr Brogden also said the Parliament needs to remember that consumers will end up bearing the costs of any new regulation.

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For further information contact: Robyn Tolhurst, Director of Communication T: 0411 177 773 E: rtolhurst@fsc.org.au

About the Financial Services Council

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 130 members who are responsible for investing more than \$2.2 trillion on behalf of 11 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. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.