

**MEDIA RELEASE-**



**DUMBING DOWN SUPER : GOVERNMENT RECOMMENDATIONS MISS THE MAIN GAME.**

Sydney: 2 August 2010 –

The Association of Financial Advisers has today welcomed some of the Superannuation package announced today whilst panning the My Super proposals as assuming that Australians are ignorant, disengaged and disinterested in their superannuation and always will be.

CEO of the Association of Financial Advisers (AFA) Richard Klipin said that while some of the Gillard government recommendations, such as raising the Superannuation Guarantee (SG) from nine to 12% and using tax file number (TFN)s to find lost super have merit, the My Super recommendations reveal that the government has an overly paternalistic attitude to the Australian community.

“We are heading back to the Nanny state , where the Government knows best .” said AFA CEO Richard Klipin.

Mr Klipin said while MySuper may appear to address some of the issues , it fails to address the underlying issue - which is poor member engagement and low retirement savings . “Telling people what to do with their own money will never solve the problem of poor retirement savings,” Mr Klipin said, “only good advice and better education can do that. It’s like the Chinese proverb: Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.”

“The Government seems fixated on the price of super and keeping it as “ cheap as possible” where as the real value in super as in life is ensuring you get the product, investment option , insurance cover , service and advice that are appropriate to your particular needs.” Said AFA National President , Dr Jim Taggart OAM.

## **Super And Financial Advice**

Mr Klipin also said that while the Government pays lip-service to the financial advice industry, the recommendations make it clear it does not understand the value of financial advice.

“The Government says it is pro advice but whenever advice is discussed it is in terms of conflicts of interest and outlawing commissions – as if all financial advisers are conflicted and/or outlaws,” Mr Klipin said. “The Government has completely ignored the research which proves :

“ That consumers who have an advice relationship are better planned, are happier with their investments, have a financial coach to help with major life decisions, provide peace of mind, administer of financial affairs and assist in facilitating a path to financial freedom.”

The AFA recently released “Back to Basics” research conducted by CoreData/brandmanagement into consumer attitudes towards financial advice.

The reality is that the best way for the Government to ensure that Australians’ plan for their retirement is to ensure they get good quality financial advice.

“Government has a major role to play in promoting the benefits of super and creating a market environment where consumers are well served, have certainty of policy and confidence in the system. With over \$1.3 trillion in the system, giving up on working families is not the answer, rather a constructive approach in working with industry to ensure consumers are engaged with their financial futures is the best way to safeguard this nations prosperity.” Said Mr Klipin

Australia’s 18000 financial advisers who serve their clients and their communities, employ people and pay taxes are ready, able and willing to assist in this national project.

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