

Budget 2010: Government completes the Trifecta

Canberra: 11 May, 2010 - The Association of Financial Advisers (AFA) has broadly welcomed the Federal Government's 2010-11 Federal Budget.

AFA CEO, Richard Klipin says the initiatives announced in tonight's Budget complete the trifecta. "Together with the Future of Financial Advice reforms and recommendations from the Henry Review, tonight's Budget announcements begin to address the big issues facing Australia," Mr Klipin says.

"Together, they will help reduce debt and ensure we pay our own way; they will help address the problems of an ageing population and they will build on Australia's reputation as a centre of excellence for financial services and an exporter of capability."

Mr Klipin says simplifying tax returns, tax discounts on interest earned on savings and tax breaks for small business offer welcome relief to everyday Australians.

"Taken as a whole, the Henry Review and the Future of Financial Advice Reforms, together with tonight's Budget announcements put a stake in the ground," Mr Klipin says. "The focus for the financial services industry should now be on working with the changes and moving forward."

However, AFA National President, Dr Jim Taggart, OAM, says the AFA is disappointed that the Government has not made financial advice tax deductible.

"Australians need quality financial advice in order to make the most of their retirement savings. In the future, people will have to pay a fee for financial advice. If that fee was tax deductible, it would be much more affordable," Dr Taggart says. "We believe financial advisers play a crucial role in building, managing and protecting the wealth of every day Australians. Quality advice on superannuation and increased levels of insurance would help solve some of the very serious problems the Government faces with an ageing population."

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