

2 May 2025

MEDIA RELEASE

Practical fixes needed to improve financial advice reform

The Federal Government's second tranche of financial advice reforms has missed a key opportunity to deliver meaningful improvements for Australians seeking financial advice, according to the Institute of Financial Professionals Australia (IFPA).

The exposure draft legislation released under the Delivering Better Financial Outcomes package introduces several measures intended to improve access and affordability of advice, including collective advice charging through superannuation, cohort-based member prompts, and replacing Statements of Advice (SOA) with Client Advice Records (CAR).

However, IFPA warns that the proposed changes risk confusing consumers, entrenching red tape, and repeating past regulatory failures.

"While we support the intent of these reforms, the legislation doesn't go far enough to address the structural issues that currently impede advice delivery. It still feels like a box-ticking exercise, rather than a true reset that puts clients first," said Natasha Panagis, Head of Technical Services at IFPA.

"Financial advisers want to deliver high-quality, personalised advice without being bogged down in paperwork. But what's proposed here does not solve this problem."

Key concerns raised by IFPA:

- **Replacing SOAs with CARs** appears to be a rebranding exercise, retaining many of the same compliance burdens without real simplification.
- **Collective charging through super** could replicate the "fee for no service" problem by charging all members, including those who don't receive advice.
- **Cohort-based nudges** may lack the personalisation needed for meaningful engagement and could blur the line between general and personal advice.
- The absence of the **modernised best interest duty** and clarity on **the new class of adviser** undermines the reform's effectiveness.

IFPA's recommendations to improve the legislation:

- Simplify advice documents by adopting a **principles-based approach**, focused on professional judgement rather than legal prescription. If written advice is required, it should be clear, practical, and easy for clients to understand. The purpose must be to inform and support the client, not to tick legal boxes.
- Introduce a **fee-for-service model** so members only pay for advice they use, rather than collective charging.
- Require **clear disclosures** where advice is limited to fund-specific products and not holistic in nature.
- Define the **boundaries of trustee-provided advice**, with trustees informing members to seek advice from a financial adviser where a member's needs fall beyond their remit.
- Remove proposed **civil penalties** for not providing a CAR where there's no consumer harm.

"Australians deserve advice that's affordable, accessible and genuinely helpful. We urge the Government to refine these proposals before they become law," Ms Panagis said.



The full submission is available on the IFPA [website](#).

- ENDS -

About the Institute of Financial Professionals Australia (IFPA)

The Institute of Financial Professionals Australia (originally known as Taxpayers Australia, and more recently Tax & Super Australia) has been serving members for over 100 years and is a leading financial professionals association dedicated to fostering excellence and professional development in the tax, accounting, superannuation, financial planning, and advisor fields. With a membership and supporter base of over 22,000 practitioners and a strong commitment to advancing knowledge, promoting ethical practices, and providing valuable resources, the Institute of Financial Professionals Australia empowers professionals to excel in their careers and make a significant impact in the industry.

Media contact

Natasha Panagis
Head of Technical Services
Phone: (03) 8851 4535
Email: n.panagis@ifpa.com.au