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MEDIA RELEASE

The Institute of Financial Professionals Australia (IFPA) supports broader, more sustainable approach to CSLR levy

The Institute of Financial Professionals Australia (IFPA) has welcomed the Government's decision to spread the 2025-26 Compensation Scheme of Last Resort (CSLR) special levy across all 23 retail-facing sub-sectors of the financial services industry, rather than primarily burdening financial advisers.

Minister for Financial Services, The Hon Dr Daniel Mulino, has announced a \$47.3 million special levy for 2025–26 following the collapse of the Shield and First Guardian Master Funds. The levy will be applied across advice, platforms, superannuation trustees, responsible entities and other retail-facing businesses.

IFPA President, Scott Heathwood, said the move recognises the basic principle of personal responsibility.

“For too long, compliant advisers have effectively been treated as the chequebook of last resort for failures they did not create. Broadening the CSLR levy base is a sensible step that acknowledges the role of platforms, product issuers and other retail-facing businesses in the ecosystem that failed thousands of ordinary investors.”

Mr Heathwood said independent and boutique practices already face significant regulatory, licensing and professional indemnity insurance costs.

“If Government wants high quality, conflict-free advice available to everyday Australians, it cannot keep piling costs on to the very professionals who stayed within the rules while others pushed the boundaries. A broad-based levy that aligns cost with responsibility is a more disciplined and sustainable approach than treating advisers as an open-ended funding source.”

Dr Mulino has also foreshadowed a February discussion paper on longer-term CSLR funding settings, including potential contributions from parent companies of advice firms and high-risk managed investment schemes. IFPA will participate actively in that consultation.

Mr Heathwood continued “Over the past 25 years, the disintermediation of Australia’s retail financial services markets has delivered its greatest benefits to the largest institutions. While scale and market power have enabled big players to expand margins and influence, advisers have borne the brunt of relentless regulatory change, often at severe financial and professional cost. Despite these upheavals, the reforms have consistently failed to achieve their intended outcomes for consumers or the advice profession. We support a serious conversation about bringing capital providers, parent companies, and high-risk schemes properly into the frame. A principled safety net is one thing. A permanent bailout facility for poor behaviour is quite another.”

IFPA Head of Technical Services, Natasha Panagis, also welcomed the Government’s confirmation that self-managed superannuation funds (SMSFs) will remain excluded from the CSLR levy. She said requiring SMSFs to contribute would be inequitable given they cannot ordinarily access the Australian Financial Complaints Authority (AFCA) or benefit from the CSLR.

However, Ms Panagis noted reports that the Government may consider extending CSLR shortfall levies to SMSFs from 2027 is deeply concerning.

“Unadvised SMSFs cannot lodge complaints with AFCA and advised SMSFs can only complain about services provided to the fund by an AFCA member, not the decisions of their trustees, meaning SMSFs remain ineligible for CSLR compensation,” she said.

“Asking SMSFs to fund a scheme they cannot use amounts to double dipping when their adviser is already contributing. SMSFs already bear the full consequences of their own investment decisions and should not be made to subsidise misconduct in unrelated parts of the market. Expecting them to pay for failures elsewhere in the system is inequitable, inappropriate and simply unjustified.”

IFPA will continue to consult with members to inform its submission and will build on its original position to Treasury. IFPA’s submission to the CSLR Post Implementation Review, including eight key recommendations to improve the scheme’s operation and funding, can be accessed [here](#).



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 35,000 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.

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