

# Media Release



**National Tax & Accountants' Association Ltd**

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**For immediate release**

## **New Association Lifts the Bar on Financial Planners**

The NTAA has announced that it is launching a new Financial Planners' Association to aggressively take back ground that tax agents and accountants have lost to the financial planning industry over the last few years.

Unfortunately, the encroachment of the financial planning industry has meant that often the quality of the financial planning advice they receive is tainted by the planner's attachment to a large financial institution.

Roger Cotton, spokesman for the new association, said that: "Tax agents and accountants are so limited in the advice that they can legally provide to their clients they can't even tell them where to bank or if they should take out life or income protection insurance. Australian consumers are the big losers, because it is crucial to their retirement plans that they receive financial planning advice they can rely on," Mr Cotton said.

"Latest in a line of these sorts of limits on tax agents and accountants is the government's proposal to stop them being able to advise their clients in relation to setting up self-managed superannuation funds (SMSFs) – which are at the core of their clients' financial affairs and retirement plans," he said.

The NTAA, representing over 7,500 firms of tax agents and accountants, has therefore decided to set up an association to help tax agents and accountants qualify to be able to continue to provide investment and financial advice to their clients including advising on, and setting up, SMSFs.

Mr Cotton said that, "This will make them much more qualified to provide investment, financial and tax advice than most ordinary financial planners who are most often not qualified accountants or registered tax agents."

"The new association has been set up in response to concerns that large financial institutions that dominate the financial planning sector have actively lobbied successive governments to move to limit the advice that accountants and tax agents have traditionally provided to their clients."

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"Further, as the vast majority of existing planners are aligned with a specific financial institution, their advice can be tainted."

"This can be contrasted with the advice that can be given by a non-aligned tax agent or accountant who is already the client's trusted tax adviser."

He said that: "The NTAA is concerned that proposed reforms to limit advice that tax agents and accountants can provide have been made at the suggestion of large financial institutions which basically want to stop taxpayers setting up their own funds so the contributions can be diverted into their own coffers."

The Government is apparently listening to these financial institutions, because it has proposed that, from 1 July 2012, accountants will be restricted in their ability to advise their clients on ways and means of setting up SMSFs.

The Cooper Review reported that at March 2010 there were 426,000 SMSFs in Australia, holding \$401.8 billion in funds - or 32% of Australia's total superannuation assets.

"Many taxpayers and clients of tax agents and accountants prefer to control their own superannuation and their retirement savings rather than pass control to a large anonymous financial institution."

Members of the NTAA Financial Planners' Association will need to be qualified as financial planners as well as qualified accountants and/or registered tax agents, thus lifting the bar for the industry as a whole.

The new association will have rigorous entry standards, vigilant ongoing educational standards and an ethical Code of Conduct based on the Government's own Tax Agent Services Regime. Through membership in the new association, with its significantly high educational entry standards, accountants and tax agents will also be able to demonstrate an important 'point of difference' to clients.

"It will lift the bar on traditional financial planners by providing the market with an alternative financial planner who is not only a qualified financial planner but an extremely well qualified tax agent or accountant who will often be the client's own current trusted adviser."

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The National Tax & Accountants' Association (NTAA) is an industry body that has been in operation since 1992. It looks after the interests of taxpayers, tax agents and accountants. Truly a representative Voice for the Tax Agent Community. The Association has over 7,500 firms of accountants as members, who look after the interests and tax affairs of more than six million taxpayers.