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All industry eyes on federal budget

The industry will be zoning in on a number of areas in tomorrow's 2016-17 federal budget that are expected to affect financial advisers, such as ASIC funding and superannuation tax.

Speaking to *ifa*, an AFA spokesperson said the group will look for more detail around the recently-announced \$127.2 million to fund ASIC and how the user-pays model will work.

The AFA also expects the government to reduce the high-income superannuation tax concession threshold from \$300,000 annual income to \$180,000 annual income, which it says will place nearly 250,000 Australians in the higher 30 per cent tax application.

"There is a strong possibility that concessional contribution caps will be reduced as well – possibly to \$20,000 per year – and non-concessional contributions could be changed as well," the AFA said.

"Transition-to-retirement provisions and the anti-detriment payment have previously been described by the government as loopholes and Treasurer Scott Morrison reaffirmed that these would be in his sights on budget day."

Meanwhile, IOOF senior technical services manager Martin Breckon said he will be looking for "women's economic security" to be a high budget priority.

"The Economics Reference Committee's latest paper highlights women's superannuation issues, such as women being likely to have only half the superannuation balances of men when they reach their 60s," Mr Breckon told *ifa*.

"There may be government incentives to improve workplace participation for women and fill the retirement needs gap that women are going to face going forward.

"It will be interesting to see how the government tries to balance the need for budget savings with the desire for women to significantly boost their retirement savings, particularly taking into account the three pillars strategy and the existing inter-relationship between age pension, the superannuation system and non-superannuation wealth management."

The FPA also hopes the objective of the superannuation system will be a high budget priority, which it says will build public trust and confidence.

In addition, it wants to see the government include budget measures which seek to improve affordability and access to financial advice, such as making upfront financial planning fees tax deductible.

"This would incentivise Australians to take the first step towards organising their finances on a strategic basis," said FPA chief executive Dante De Gori.

"Making financial advice more affordable for consumers supports the coalition's superannuation policy to encourage as many Australians as possible to actively plan and save for their retirement, take full

advantage of the benefits the superannuation system provides and work toward a self-funded retirement, which is important for the long-term economic welfare of Australians."