

Engaging and Educating Clients with Cost Increases

Association of Independently Owned Financial Professionals (www.aiofp.net.au)

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The recent announcement by Platforms/Wraps of the 7.5% increase in the GST due to the input tax credits [RITC] for Adviser fees being no longer eligible to be claimed by Super Funds and platforms will commence from 1/7/2024.

This is one of those tax hikes that quietly flies under the radar....but we need to expose it to consumers starting with your clients.

This is yet again another decision Advisers will have to make as whether this increased cost is absorbed in the business or passed onto clients.

The only way the Advice community will have any hope of amending these never-ending compliance cost increases is leading into the next election with educated Clients who are communicating and voicing their concerns with their local Federal member.

It should be clearly understood that you are not asking your client to change their voting preference at the next election, understandably most get offended with that approach. It is all about educating them on why your fees have been [or about to be] increasing and how they can help to get the message to Canberra they are unhappy about the situation. It is a form of inferred intimidation.

The political landscape changed 20 years ago this year when PM John Howard cancelled the Pension Fund for Politicians leaving the vast majority exposed to the 'dole queue' if they do not retain their seat – a few months before the election is the time to seriously seek change, their livelihood is on the line.

With an early election highly unlikely, your clients should be engaged with these realities over the next 6 months in preparation for the intense political posturing commencing in February 2025.

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