



UNLOCKING THE POTENTIAL

OF PROFESSIONAL FINANCIAL ADVICE

RESILIENCE, TRANSFORMATION & OPPORTUNITY

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01

INTRODUCTION

Unlocking the Potential of Professional Financial Advice is research undertaken with the New Zealand professional advice community to understand the business conditions in 2020 and the short and longer term issues facing them.

The professional advice community support Kiwis with their finances, help them understand what options are available and to develop and reach financial goals. As the front line of the financial services industry, professional financial advisers play an important role in educating consumers and delivering expert professional financial advice and knowledge.

Unsurprisingly, Covid-19 and the regulatory change facing the sector were top of mind in 2020. Despite the challenges, there have been positive outcomes for both professional financial advisers and their customers in what was an extremely challenging year. It was good to see the research show the sector seeing a bright future.

The research shows that the sector has been resilient, with a positive business outlook and an optimism about the future benefits that the change in regulations will deliver for consumers. The results focuses on three key areas of professional financial advice:

- Looking back to the Financial Services Council Money & You* research to reflect on the value of professional financial advice.
- Delving into the resilience of professional financial advisers, the effect of Covid-19 on the industry and the transformation of the industry through the new Financial Services Legislation Amendment Act (FSLAA) that comes into force on 15 March 2021.

- Identifying opportunities and challenges facing the professional financial advice industry, ranging from the opportunities for business growth, getting more Kiwis to learn the language of money and the need to encourage new entrants into the industry.

Previous research tells us that there are tangible and intangible benefits for Kiwis if they start to take control of their finances. The question that this research now asks is: How do we ensure that the industry continues to help Kiwis understand the language of money and ensures it has the capabilities to deliver it?

As with all research undertaken by the Financial Services Council, this report is designed to hold up a mirror to our industry and challenge us to think and solve some of the big issues, so that we can, together, continue to help improve New Zealanders' financial wellbeing and support them to better manage and protect their wealth.



Rob Flannagan
Chairman, FSC



Richard Klipin
CEO, FSC

*Money & You - Read more at [fsc.org.nz](https://www.fsc.org.nz)

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KEY FINDINGS

1. **Professional financial advice is transformative for consumers.**

There is agreement between the value that consumers feel they receive from professional financial advice and what advisers feel they deliver. And, it's not about money. It is about the peace of mind, control and confidence that receiving professional financial advice gives. Yet, less than 20% of Kiwis take the opportunity.

2. **The professional financial advice sector has been resilient in 2020.**

The professional financial advice community weathered the Covid-19 storm and changed how they do business. The sector has seen, through accelerated change in sustainable business practices, the use of technology to better connect and communicate with their customers.

3. **Preparing for new regulations in the shadow of Covid-19.**

The professional financial advice community continue to prepare for significant regulation change. In the shadow of Covid-19, the research indicates that the community are implementing changes and are prepared for the introduction of the Financial Services Legislation Amendment Act (FSLAA), due to come into force from 15 March 2021.

4. **2021: Positivity, challenges and concerns.**

Professional financial advisers have a positive business outlook and see positive outcomes from FSLAA as we head into 2021. However there are concerns about the burden of the new law and a potential demographic timebomb in the sector.

*Money & You - Read more at [fsc.org.nz](https://www.fsc.org.nz)



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SECTION ONE

PROFESSIONAL FINANCIAL ADVICE IS TRANSFORMATIVE

CONFIDENCE THROUGH PROFESSIONAL FINANCIAL ADVICE

Through the Money & You and Financial Resilience Index research in 2020*, we saw that there is a strong relationship between wellbeing and money.

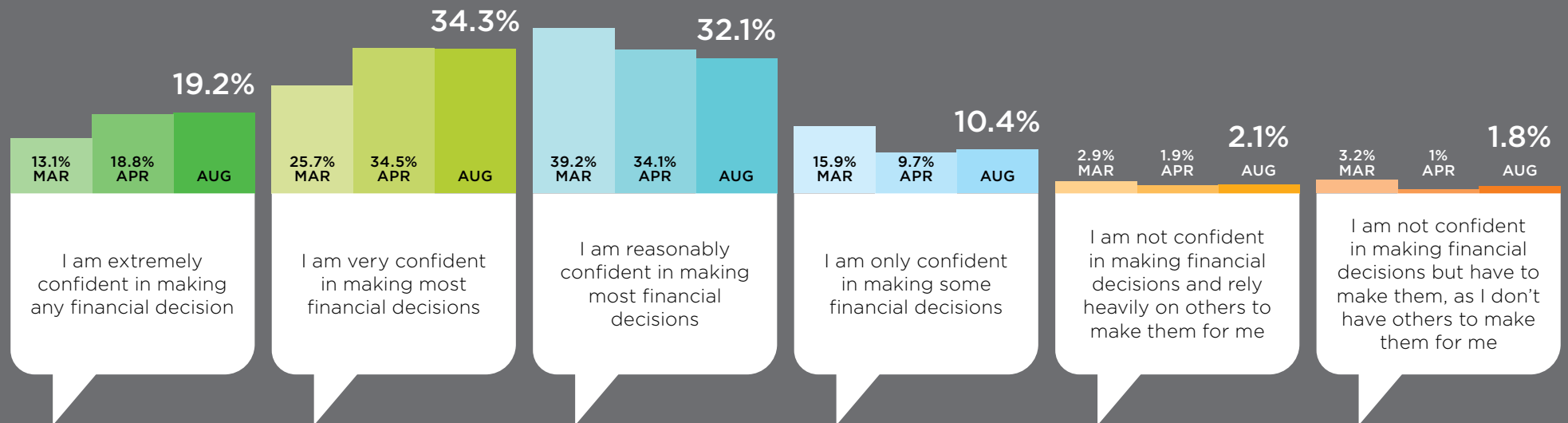
Money & You showed a small percentage of New Zealanders seek help and professional financial advice about their finances, but those that do are more confident overall.



I am now retired and able to live a comfortable stress-free financial life even allowing for issues such as this current Corona virus pandemic. I am currently able to withstand the money market shocks now happening through judicious advice and planning that I have followed.

MALE, 77, AUCKLAND

Which of the following statements best describes your confidence in making financial decisions?



n = 1,000 (August 2020); 1,000 (April 2020); 2,000 (March 2020)

*Read more at fsc.org.nz

VALUE THROUGH PROFESSIONAL FINANCIAL ADVICE

Of those surveyed*, Kiwis who receive financial advice had greater peace of mind, control and confidence.

Reaching out and taking professional financial advice overwhelmingly helped to set and achieve goals, remove financial stress and live a desired lifestyle.



Getting to buy/build our own first home, being debt free apart from our mortgage, and having savings and money to enjoy family time on weekends.

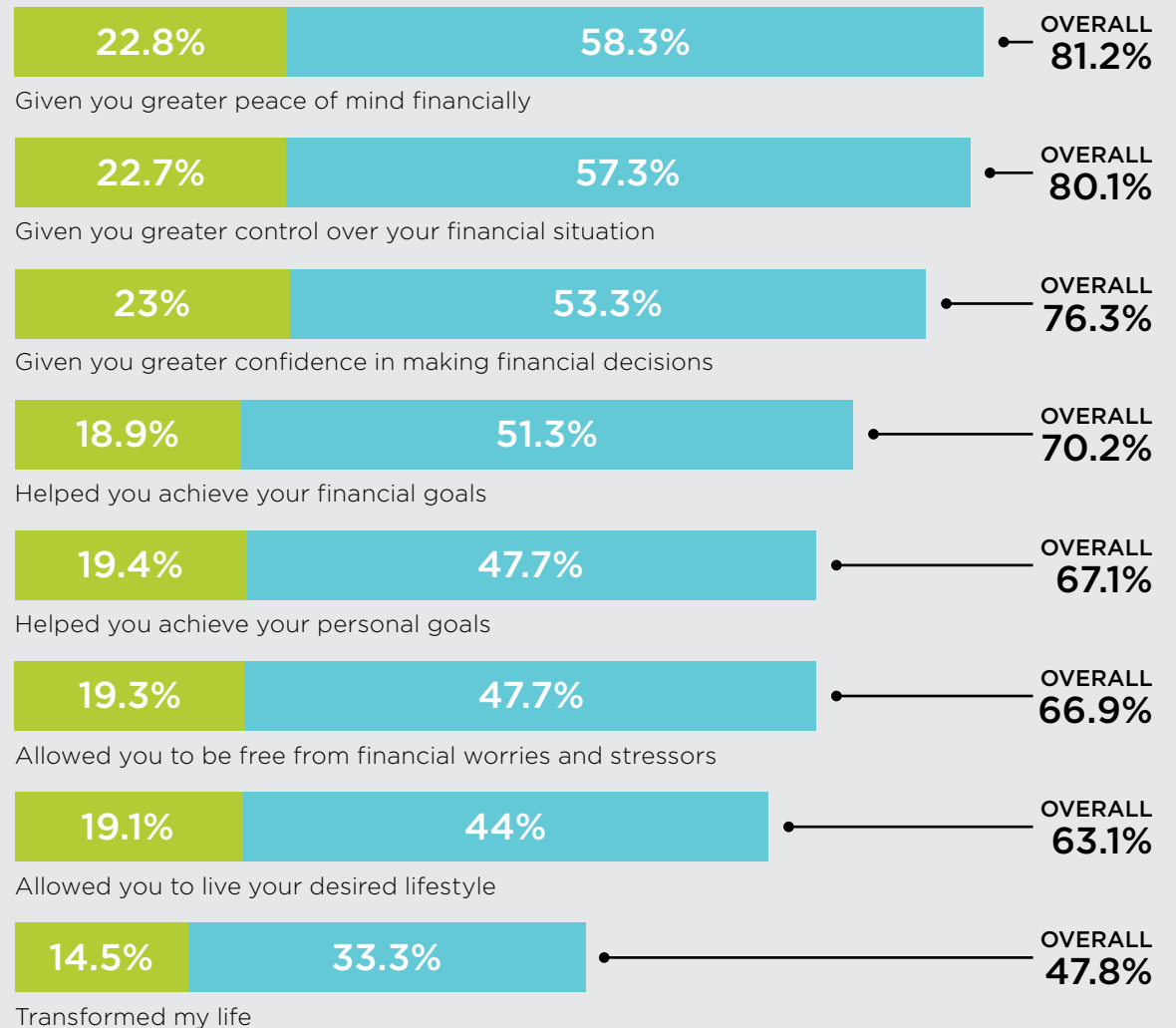
MALE, 40, BAY OF PLENTY

■ Yes, to a large extent
 ■ Yes, to some extent

n = 382 (Advised)

*Money & You - Read more at [fsc.org.nz](https://www.fsc.org.nz)

Overall, has receiving professional financial advice ...?



THOSE THAT GIVE PROFESSIONAL FINANCIAL ADVICE AGREE

Of those surveyed, professional financial advisers echoed the sentiment of Kiwis that take professional financial advice.

Professional financial advisers look to give peace of mind, help achieve goals and give back financial control to their clients through providing valuable ideas and enabling informed decisions.



Clients benefit from someone on the outside “looking in” to assist them and give them sensible and reasoned advice.

MALE, 48, PERSONAL RISK INSURANCE ADVISER, AUCKLAND

Overall, do you feel the professional financial advice that you provide to clients...?

Give them greater peace of mind financially

98%

Give them greater confidence in making financial decisions

94%

Give them greater control over their financial situation

92%

Help them achieve their personal goals

91.5%

Allow them to be free from financial worries and stressors

88.5%

Help them achieve their financial goals

88.5%

Allow them to live their desired lifestyle

87.5%

Transformed their lives

73%

■ Yes

MANY KIWIS DON'T RECEIVE PROFESSIONAL FINANCIAL ADVICE*

Despite the long-term benefits that taking professional financial advice can give, many still don't seek it*.

Those respondents who don't take professional financial advice said that they don't have enough assets, can't afford it or aren't aware of the value of professional finance advice.

Generally, those that have more assets are more likely to seek professional financial advice in comparison to others with less wealth.

Professional financial advice uptake in New Zealand is low, with 18.1% of New Zealanders currently receiving professional financial advice, or receiving professional financial advice as and when they need it.



*Money & You - Read more at [fsc.org.nz](https://www.fsc.org.nz)

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SECTION TWO

THE PROFESSIONAL
FINANCIAL ADVICE SECTOR
HAS BEEN RESILIENT IN 2020



2020: COVID-19 AND REGULATORY CHANGE

This research with the professional financial advice community was developed to understand the business conditions in 2020 and identify future issues for professional financial advice. The results showed that Covid-19 and regulatory change were top of mind.

At the beginning of 2020 the professional financial advice industry was preparing to transition to the new Financial Services Legislation Amendment Act (FSLAA)*.

As the realities of Covid-19 hit, the Government announced the postponement of FSLAA transition to 15 March 2021 to enable the professional advice community to focus on serving their clients through the pandemic response.

This section delves into the professional financial advice community's sentiment on business confidence and these two key themes of 2020.



Focus shift from new business to supporting clients through the year, a lot more reviewing of existing policies for premium savings than new business.

MALE, 48, PERSONAL RISK INSURANCE ADVISER, SOUTHLAND

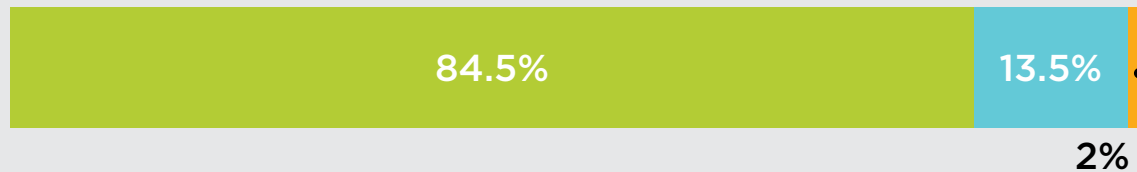
*Find out more about FSLAA on the [Professional Advice Knowledge Hub](#)



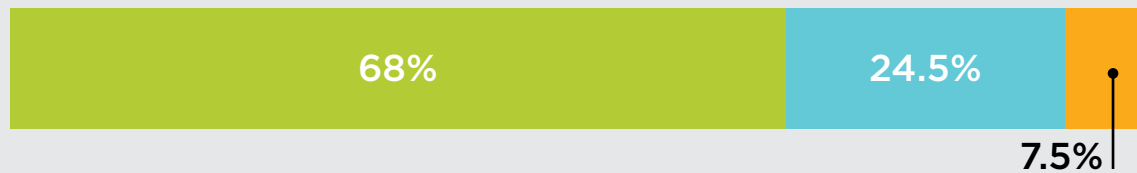
COVID-19: INDUSTRY SENTIMENT HAS WORSENE

Overall, on a scale of 0 to 10, where 0 is extremely negative and 10 is extremely positive, how would you rate your confidence and sentiment as a professional in the New Zealand financial services industry?

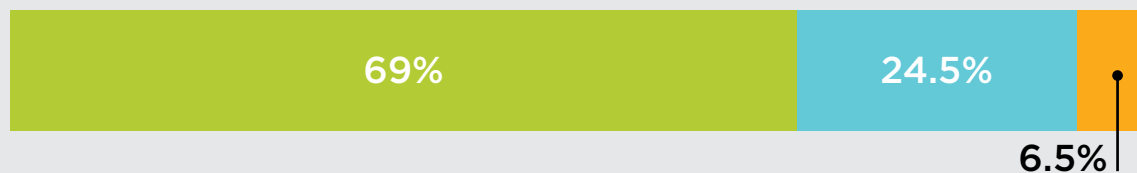
Before the Covid-19 pandemic



During the Covid-19 pandemic



After the Covid-19 pandemic and beyond



■ Positive (7-10)
 ■ Neutral (4-6)
 ■ Negative (0-3)

n = 200



COVID-19: BUSINESS CONDITIONS HAVE CHANGED

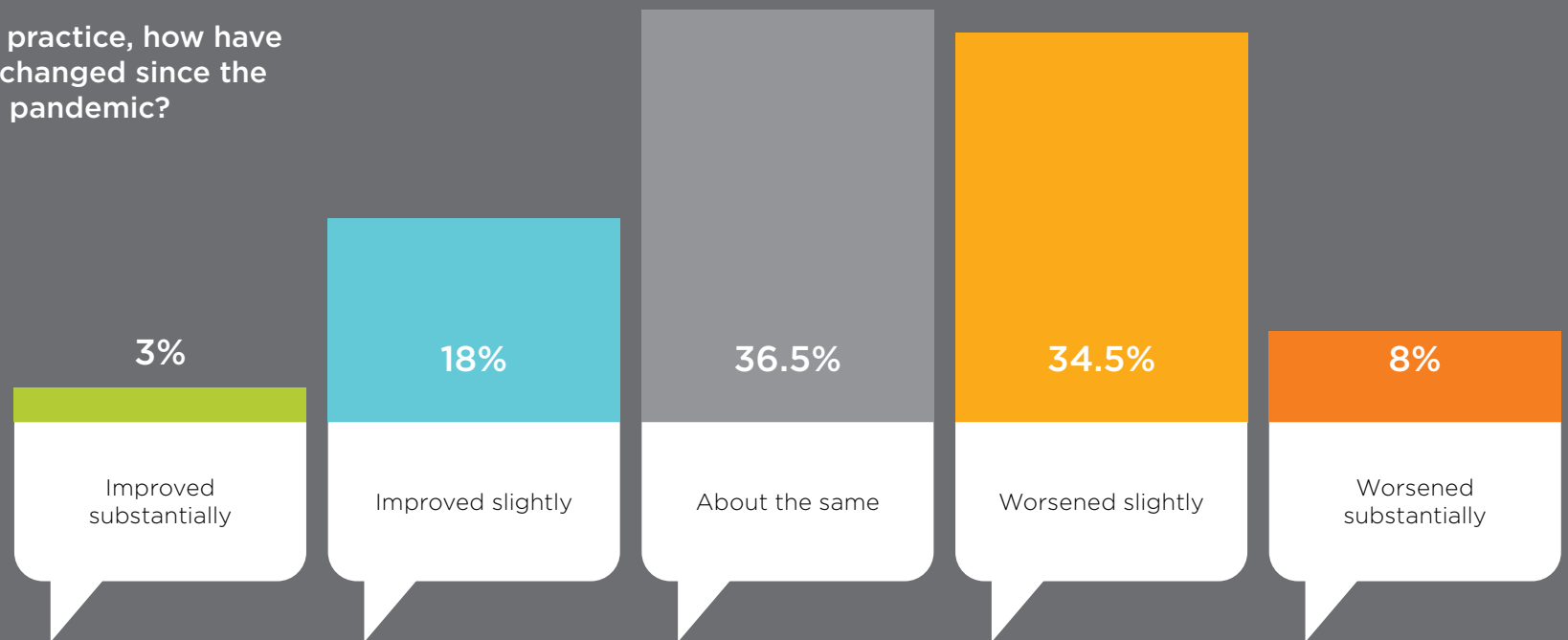
Whilst a third of respondents said that business conditions haven't changed, over 42% felt they had worsened in 2020, with just 21% seeing an improvement.



Changed how we do business and communicate with customers. Will be the beginning of change to make a business that is environmentally sustainable too.

FEMALE, 60, OTHER, CANTERBURY

Thinking about your practice, how have business conditions changed since the start of the Covid-19 pandemic?



n = 200

COVID-19: PROFESSIONAL FINANCIAL ADVICE HAS DRIVEN RESILIENCE

Despite the change in business conditions, when considering client responses to Covid-19, over 70% of professional financial advisers surveyed said that their clients had become more resilient to financial stresses through receiving professional financial advice.



Clients have become more aware of the possibility of negative movements in the markets. More clients are reviewing their retirement funds. COVID highlighted some pretty large gaps in the average NZ'ers knowledge of KiwiSaver.

FEMALE, 43, INVESTMENT ADVISER, TARANAKI

Has your professional financial advice during the Covid-19 pandemic made your clients more resilient to withstanding financial stress?



n = 200

COVID-19: GOING DIGITAL

The Covid-19 pandemic has accelerated practices' adoption of digital communication channels, with two in three (65%) practices conducting more client meetings online as a result. This makes it clear that digital intimacy is becoming increasingly important in professional financial adviser-client relationships.



Brought to light the need for good online communication. Traditionally a face to face business, new solutions are needed to interact with clients at arms length.

FEMALE, 43, INVESTMENT ADVISER, TARANAKI

How have you changed/will you change your business practices and processes as a result of the Covid-19 pandemic?

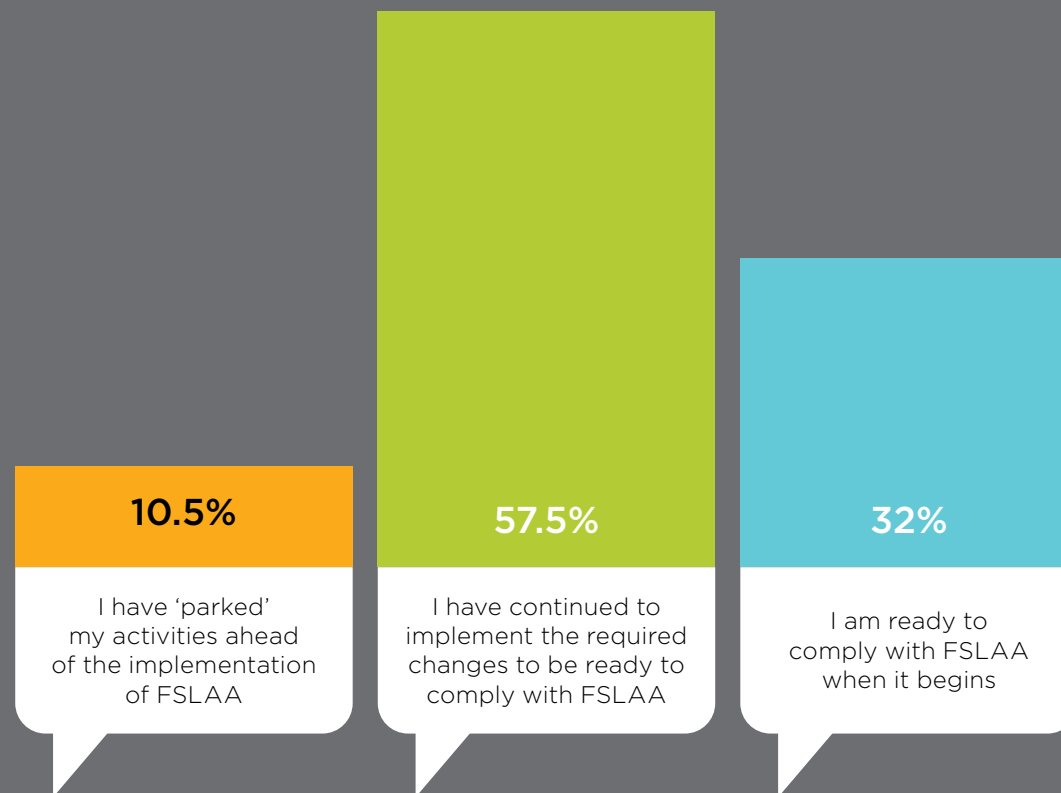


n = 200

Multiple answers allowed

THE EFFECT OF COVID-19 AND REGULATORY CHANGE

Given the Covid-19 pandemic and its impact, which of the following best describes your situation in relation to complying with FSLAA?



n = 200

Covid-19 has not stopped professional financial advisers from being prepared for FSLAA, even if professional financial advisers hold polarised views on its likely effectiveness.

The majority of respondents continued to implement the changes required by FSLAA, with just under 90% ready or implementing change to comply.

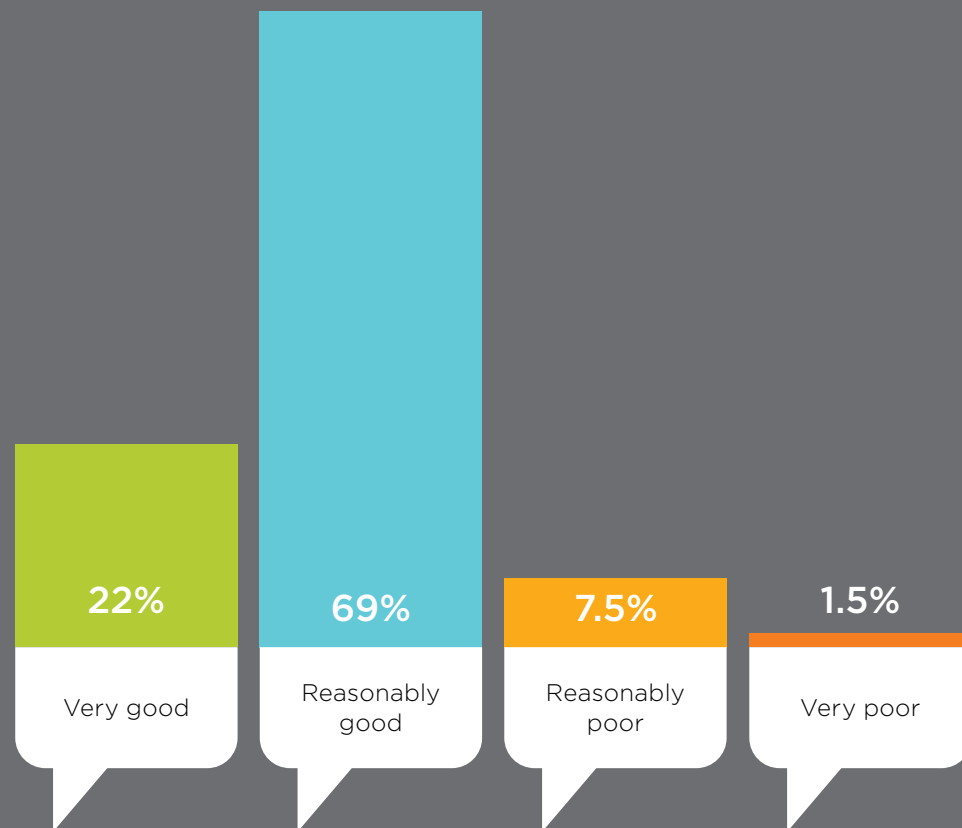


Mostly ready, update any new requirements as they are announced.

MALE, 71, PERSONAL RISK INSURANCE ADVISER, TASMAN

GETTING READY FOR REGULATORY CHANGE

How would you rate your understanding of the current and upcoming regulatory changes (and the potential impact), including the Financial Services Legislation Amendment Act (FSLAA)?



n = 200

Multiple answers allowed

Regulatory changes are well-understood, with the associations, product providers and the Government keeping professional financial advisers up-to-date.

Close to nine in 10 (89.5%) professional financial advisers are ready to comply with or are continuing with efforts to comply with FSLAA. Seven in 10 (69%) will have a transitional licence, while three in 10 (29.5%) will be engaged by a business with transitional licence.

How have you been keeping up-to-date on these regulatory changes?

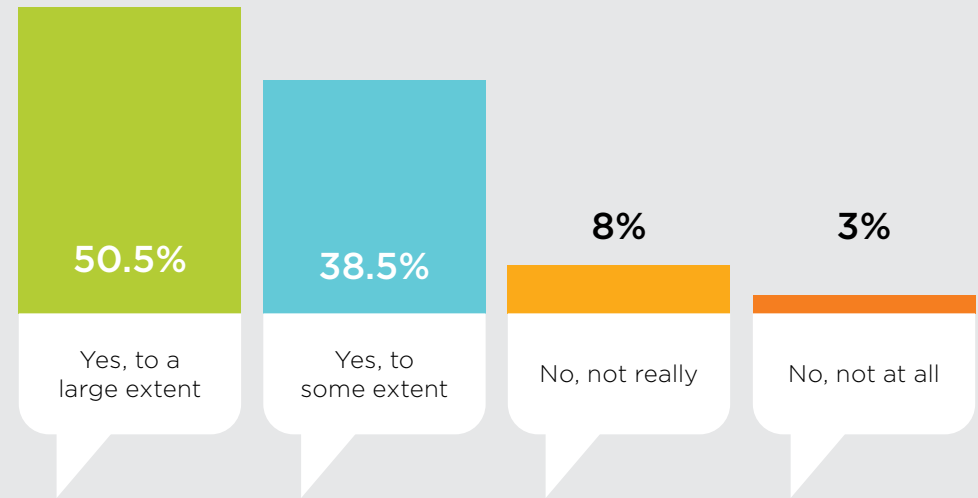


THERE HAS BEEN TIME TO ADJUST WITH SUPPORT PROVIDED

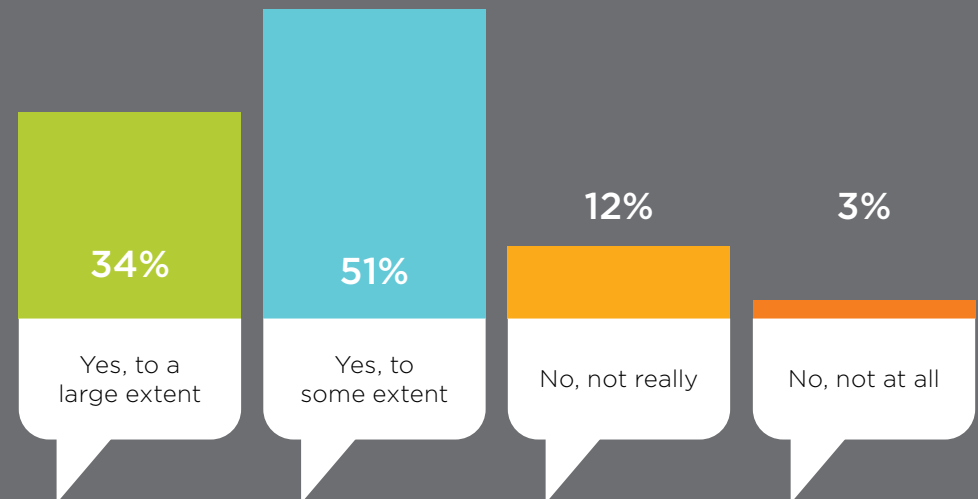
The majority of professional financial advisers are well-prepared and well-supported ahead of the regulatory changes.

Nearly all (91%) professional financial advisers have a good understanding of the current and upcoming regulatory changes and are adapting to the challenges.

The new professional financial advice regime comes into effect on 15 March 2021. Do you think you have had long enough to adjust/prepare for these regulatory changes?



Do you feel that you have been adequately supported to adjust/prepare for these regulatory changes?



CHALLENGING REGULATORY ENVIRONMENT

Over 70% of professional financial advisers find the regulatory environment to be reasonably challenging or the most challenging environment they have worked in.

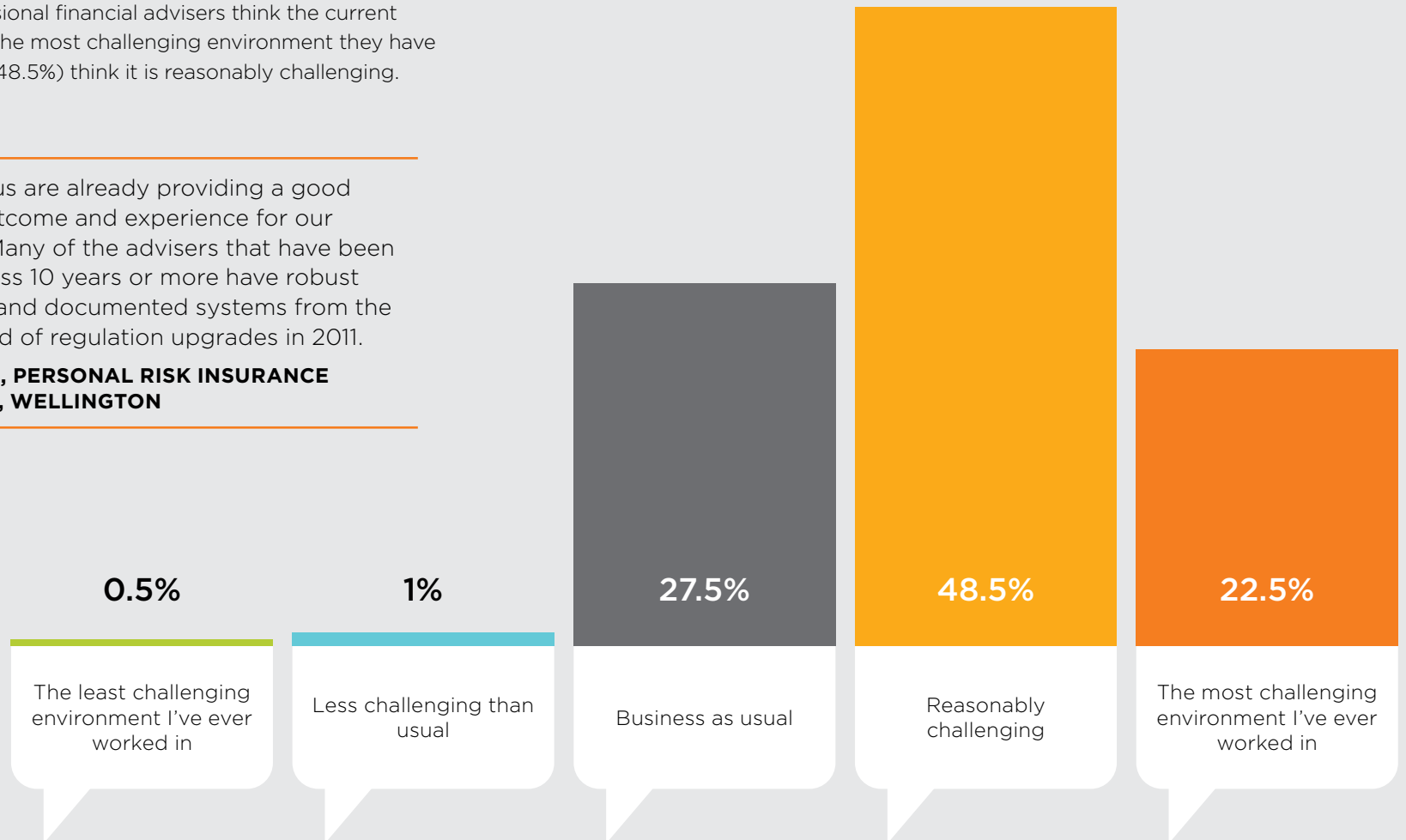
One in four (22.5%) professional financial advisers think the current regulatory environment is the most challenging environment they have ever worked in, while half (48.5%) think it is reasonably challenging.



Most of us are already providing a good client outcome and experience for our clients. Many of the advisers that have been in business 10 years or more have robust process and documented systems from the last round of regulation upgrades in 2011.

MALE, 52, PERSONAL RISK INSURANCE ADVISER, WELLINGTON

How challenging are you finding operating in the current regulatory environment?



n = 200

CHALLENGING REGULATORY ENVIRONMENT

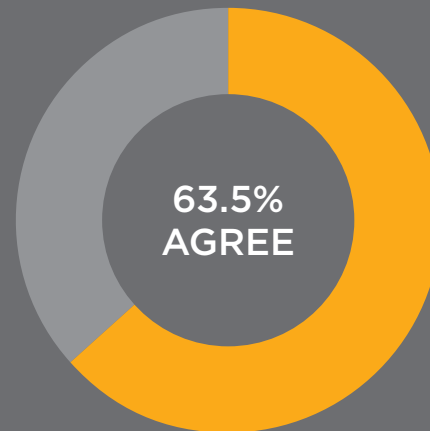
The regulatory changes are affecting professional financial advisers personally, particularly in terms of overall stress level.

Although the majority of professional financial advisers feel well-prepared and well-supported ahead of the regulatory changes, the majority (63.5%) have had increased overall stress level as a result of these changes.

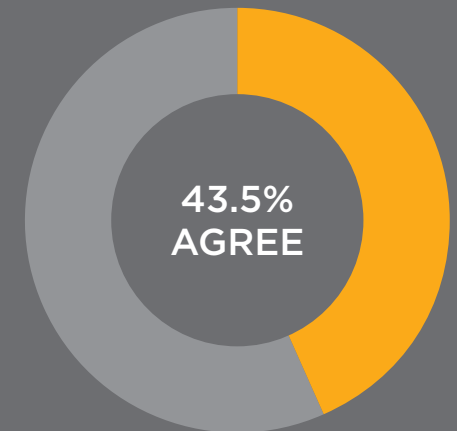
More than two in five (43.5%) have had their overall well-being adversely impacted, and more than one in three (35.5%) have had their mental health adversely impacted.

How much do you agree or disagree with the following statements on the impact of these regulatory changes on you personally?

These regulatory changes have increased my overall stress level



These regulatory changes have been adversely impacting my overall well-being



These regulatory changes have been adversely impacting my mental health



These regulatory changes have been adversely impacting my physical health



n = 200

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SECTION THREE

2021: POSITIVITY, CHALLENGES AND CONCERNS



BUSINESS OUTLOOK: GROWTH

Most professional financial advisers are optimistic on practice growth, although some expect theirs to shrink.

Despite the disruption, more than half (56.5%) of professional financial advisers expect their practice to grow in the next 12 months and three in four (76.5%) expect growth in the next three years.



A happy customer that has enjoyed the interaction with the adviser or nominated representative, they understand what products they have taken, why they have taken them, what they are and are not covered for and are confident in their decision. And they are happy to recommend that person to their friends or family.

MALE, 33, PERSONAL RISK INSURANCE ADVISER, AUCKLAND

Do you expect the practice to grow, remain largely unchanged or shrink over the next ...?

- Grow
- Remain largely unchanged
- Shrink
- Not sure

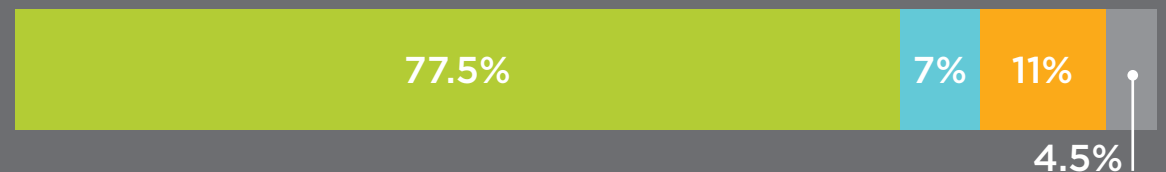
12 months



3 years



5 years



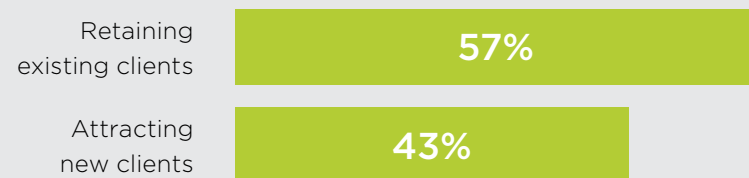
n = 200

BUSINESS OUTLOOK: BUSINESS DEVELOPMENT

Retention is the focus for the next 12 months, followed by attracting new clients. The vast majority (83%) of professional financial advisers expect referrals from existing clients to be a source of growth, while two in three (66%) expect growth to come from more business from existing clients.

Personal risk insurance advice, KiwiSaver advice and financial hardship requests are the services that professional financial advisers most commonly expect to see increased client demand over the next 12 months.

Over the next 12 months, will business development efforts focus more on retaining existing clients or attracting new clients?

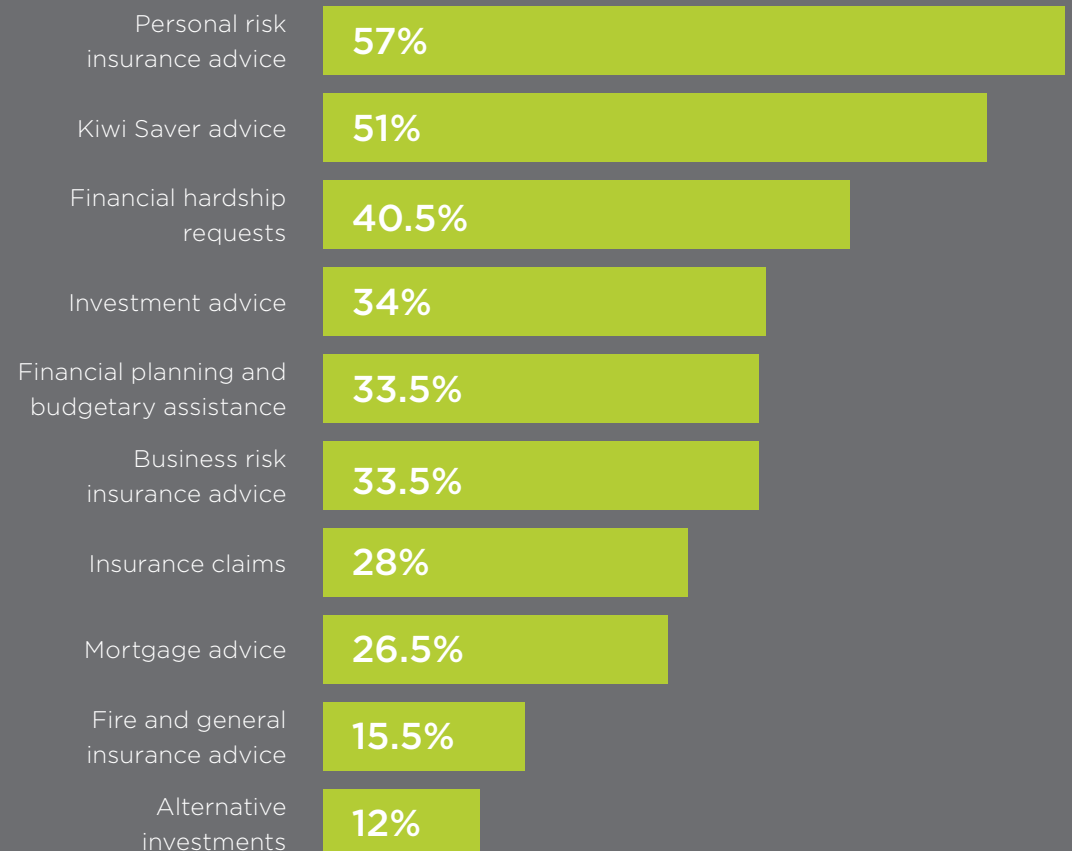


■ Yes

n = 200

*Multiple answers allowed

In which of the following are you expecting to see increased client demand over the next 12 months?*



BUSINESS OUTLOOK: REFERRAL IS THE KEY TO GROWTH

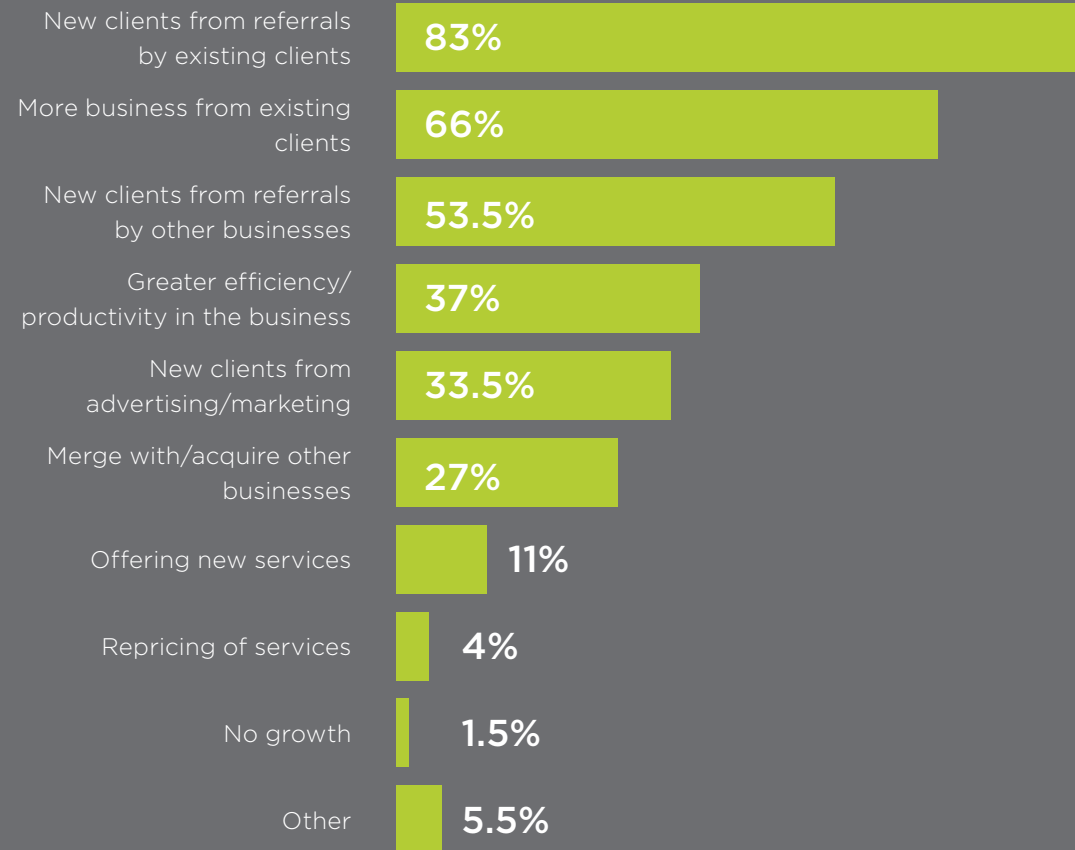
To educate and support more Kiwis, the industry needs to encourage more referrals, educate consumers on the value of professional financial advice and make it easier for professional financial advisers to provide professional financial advice.



By making sure the industry is referrable. If we all do a good job, put the client first, be good people, and work hard, we will all become referable and therefore increase the engagement rates, as the best way to get people to seek advice, is for their friends, family, and colleagues to encourage them to.

MALE, 55, PERSONAL RISK INSURANCE ADVISER, OTAGO

Where do you think growth will come from for your practice?



n = 200

Multiple answers allowed

IMPACT OF REGULATION: IMPROVING CUSTOMER OUTCOMES

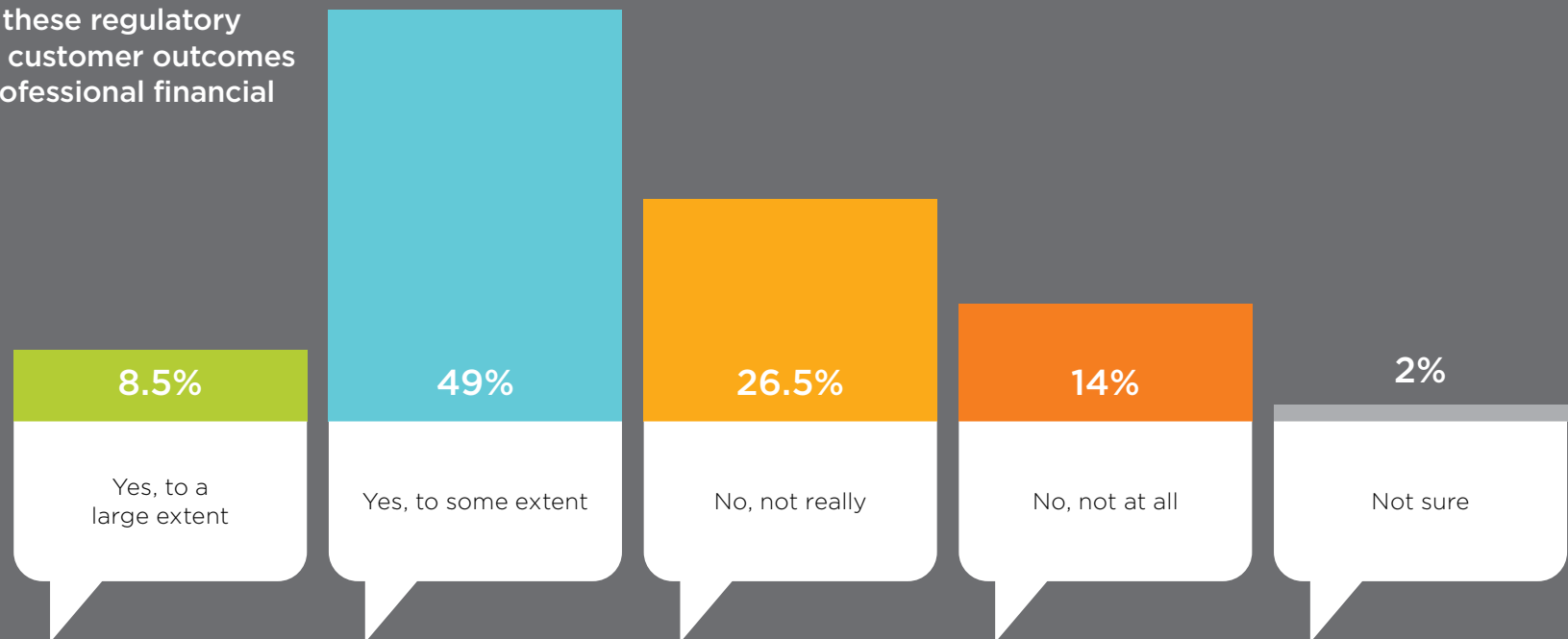
Despite the challenges the majority believe that the regulatory changes will improve customer outcomes.



All Advisers on a similar playing field. Clients ensured their best interests are paramount.

**FEMALE, 48, PERSONAL RISK INSURANCE
ADVISER, TARANAKI**

Overall, do you think these regulatory changes will improve customer outcomes when dealing with professional financial advisers?



n = 200

IMPACT OF REGULATION: IMPROVING CUSTOMER OUTCOMES

Overall, close to three in five (57.5%) professional financial advisers believe the regulatory changes will improve customer outcomes, particularly through a Code of Conduct and ensuring that the best interests of the client comes first.

However, this means two in five (42.5%) believe otherwise or are unsure, with a common view that most professional financial advisers are already doing the right thing and feel frustrated about having to meet the increased compliance burden and potentially detract value from customers.



A transparent environment where consumers are aware of what commissions and fees are paid to who.

MALE, 52, PERSONAL RISK INSURANCE ADVISER, AUCKLAND

- Will improve customer outcomes
- Won't improve customer outcomes
- Not sure

n = 200

How do you think the following changes will impact customer outcomes?

A Code of Conduct that introduces new standards of competence and professional conduct



New requirements that ensure the interests of clients comes first



New requirement to be engaged by a professional financial advice provider with a licence issued by the Financial Markets Authority



New requirements for registration on the Financial Service Providers Register (FSFR), to prevent its misuse



The removal of the distinctions between class and personalised professional financial advice



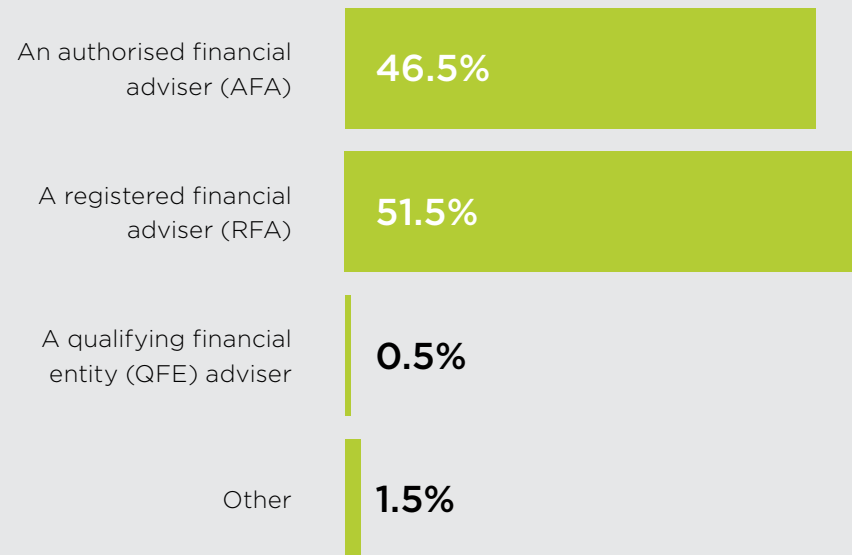
The removal of the categories of Authorised Financial Advisers (AFAs), Registered Financial Advisers (RFAs), and Qualifying Financial Entities (QFEs)



IMPACT OF REGULATION: ROLE TRANSITION

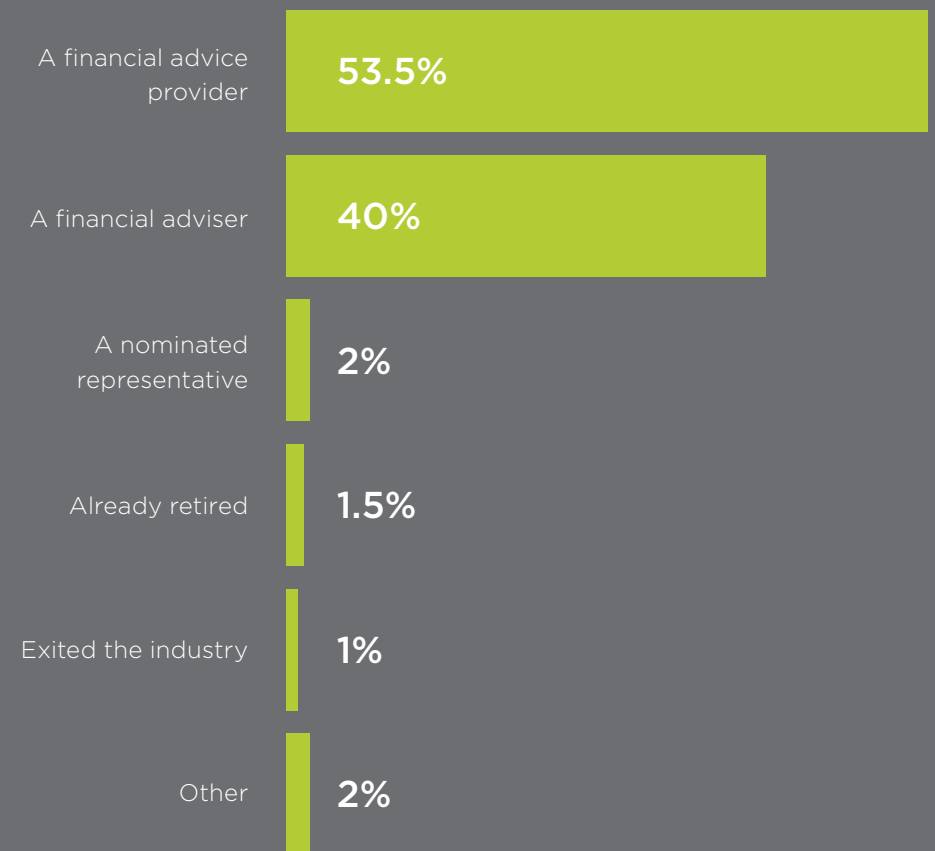
Once FSLAA is in place, around half of the respondents will become a professional financial advice provider and two in five will become a professional financial adviser.

Which of the following best describes you currently?



n = 200

Considering the FSLAA changes, what is your planned role once the legislation is in place next year?



IMPACT OF REGULATION: CHALLENGES AND CHANGE

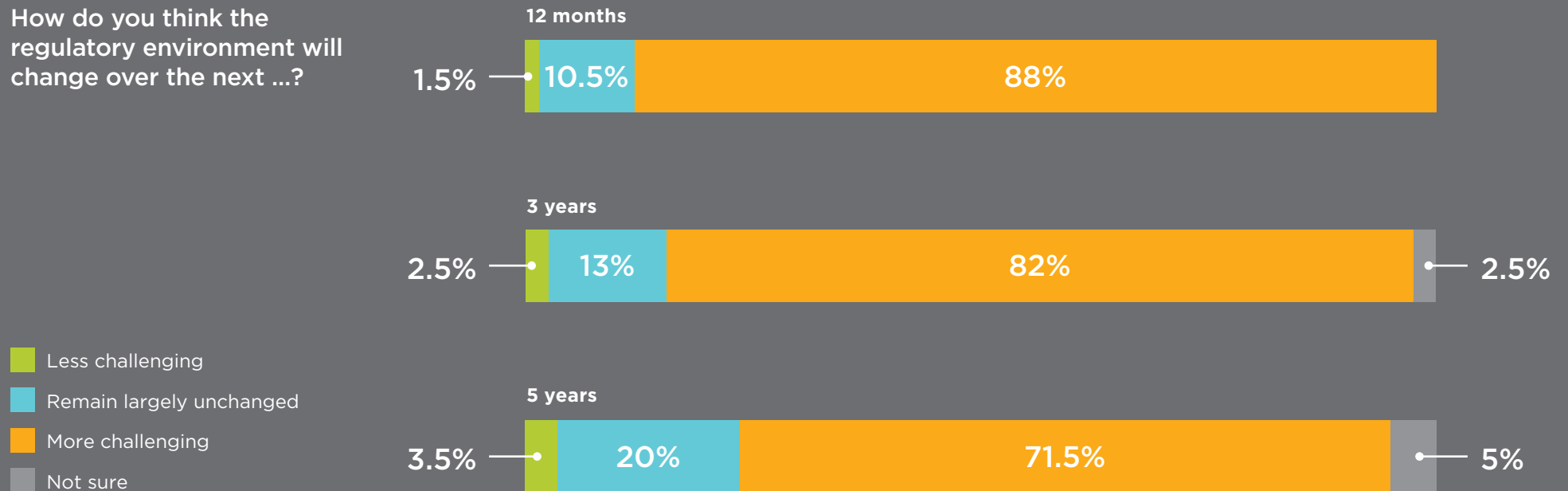
The majority of professional financial advisers find the regulatory environment to be challenging and expect it to become more challenging.



Complete Level 5, which is very time consuming and stressful during this period.

FEMALE, 50, PERSONAL RISK INSURANCE ADVISER, CANTERBURY

How do you think the regulatory environment will change over the next ...?



n = 200

IMPACT OF REGULATION: GREATER COMPLIANCE BURDEN

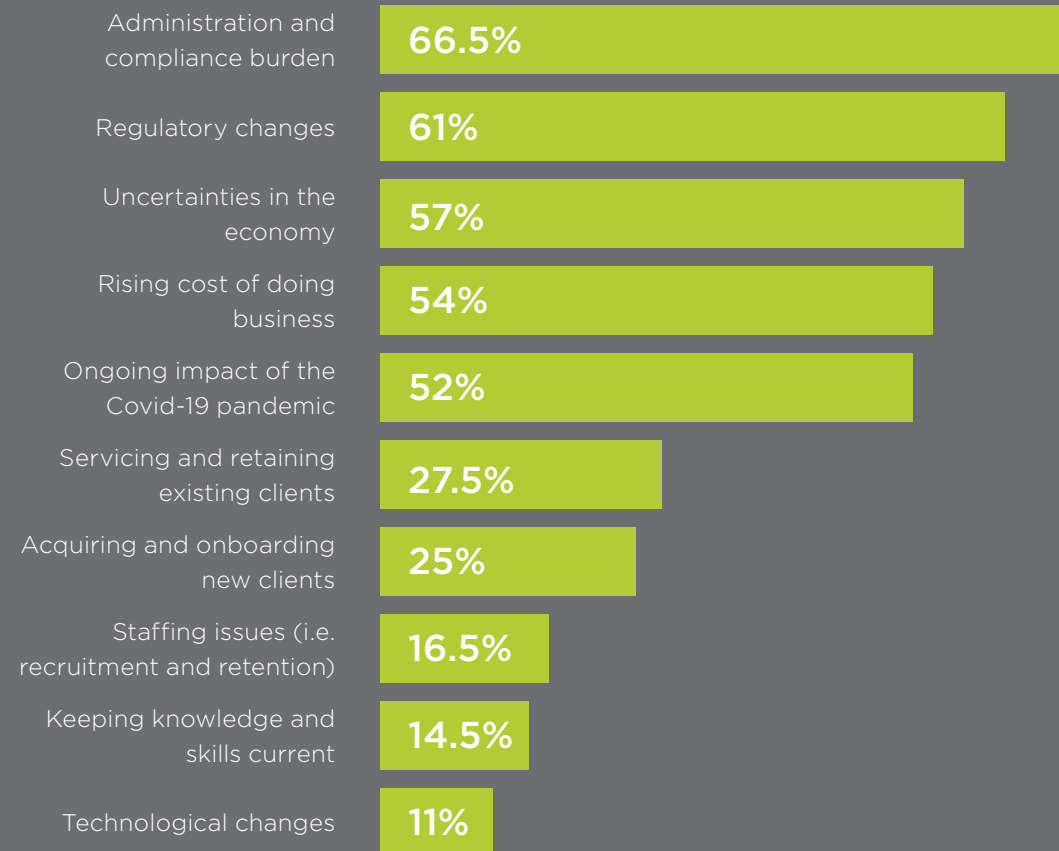
A range of barriers to growth exist, with the majority citing administration and compliance burden (66.5%) as well as regulatory changes (61%) as the major impediments. Many (57%) also see the uncertainties in the economy as a major risk.



Compliance burden will reduce the time available for Advisers to meet with clients face to face. Twice the amount of time is required now to ensure every part of the advice process and client interaction is documented in both on boarding new clients and servicing existing clients.

MALE, 49, PERSONAL RISK INSURANCE ADVISER, WAIKATO

What do you currently see as the major impediments or risks to growth for your practice?



n = 200

Multiple answers allowed. Top 10 responses only.

IMPACT OF REGULATION: ADAPTING TO CHANGE

Reviewing and documenting systems, processes and records will be paramount in adapting to the new professional financial advice regime.

In adapting to the new financial advice regime, professional financial advisers most commonly believe they need to review their professional financial advice documentation and record keeping (60%), know the final licence requirements from the FMA (53.5%) and change their client disclosure (51%).



I think some of the disclosure recommendations may unnecessarily make customers more wary than they need to be. I think we are going to be raising alarm in every instance, where we already have a good trusting relationship.

MALE, 55, PERSONAL RISK INSURANCE ADVISER, OTAGO

How do you think your business needs to change to adapt to the new professional financial advice regime? I need/our practice needs to...



n = 200

Multiple answers allowed.

IMPACT OF REGULATION: FUTURE CONCERNS

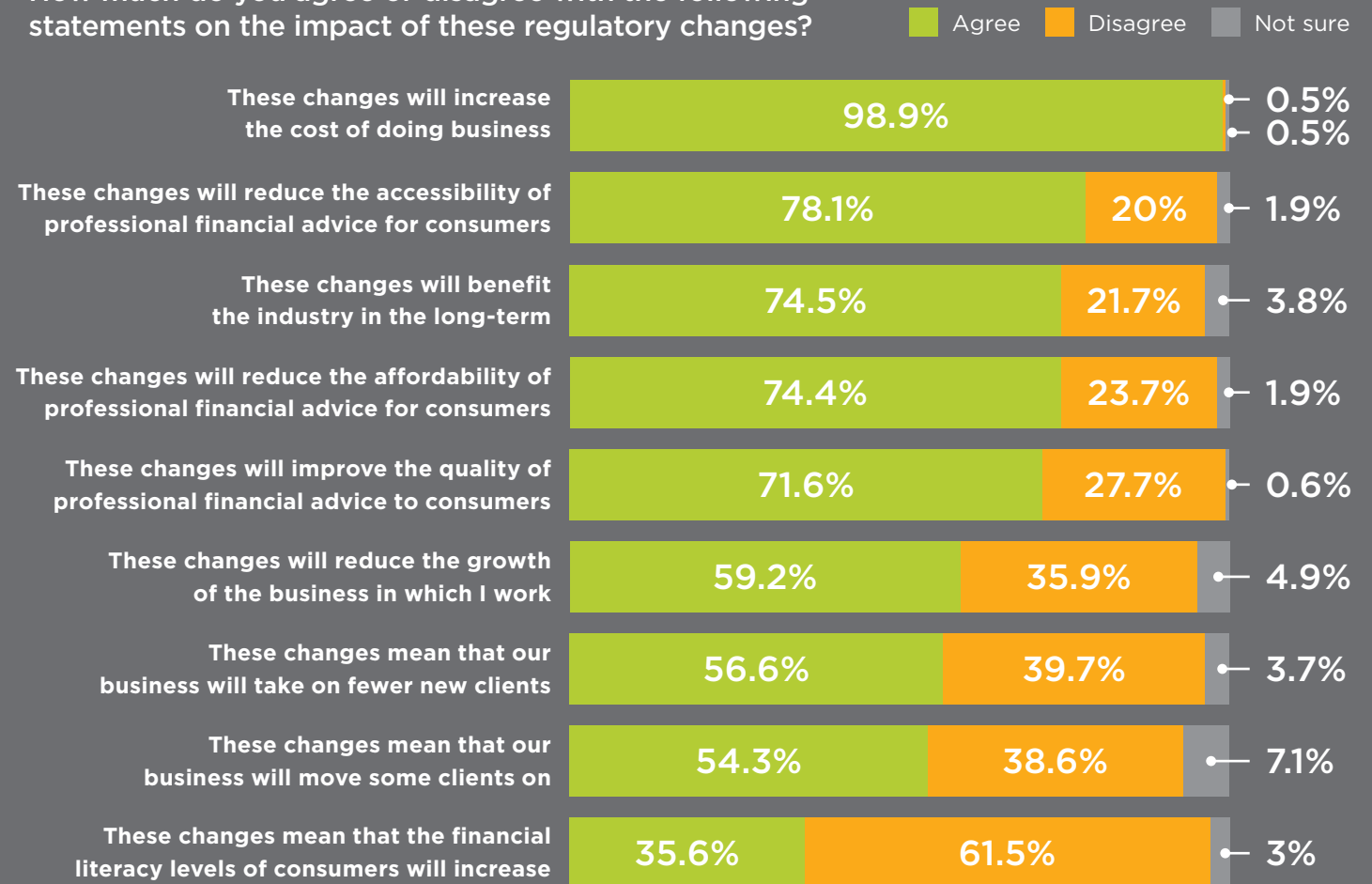
The respondents felt that the regulatory changes will be beneficial in the long-term but will increase the cost of doing business and reduce professional financial advice accessibility and affordability to professional financial advice.

Although three in four professional financial advisers believe the regulatory changes will improve the quality of professional financial advice provided to consumers and benefit the industry in the long-term (71.6% and 74.5% respectively), adverse effects are also expected.

Practically all (98.9%) professional financial advisers believe that the changes will increase the cost of doing business, and close to three in four (73%) believe the changes will restrict the entrant of new professional financial advisers to the industry.

As a result, the large majority believe the changes will reduce the accessibility and affordability of professional financial advice to consumers (78.1% and 74.4% respectively).

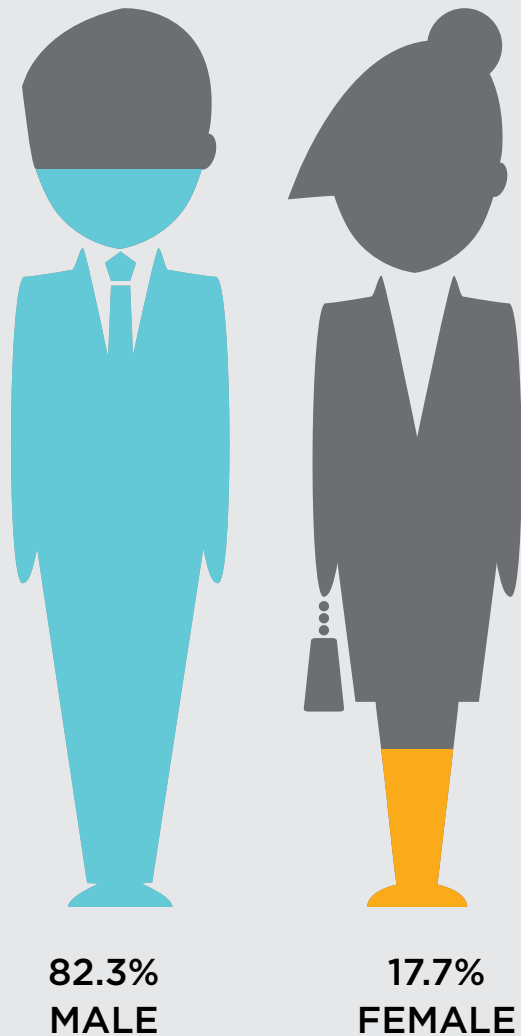
How much do you agree or disagree with the following statements on the impact of these regulatory changes?



n = 200

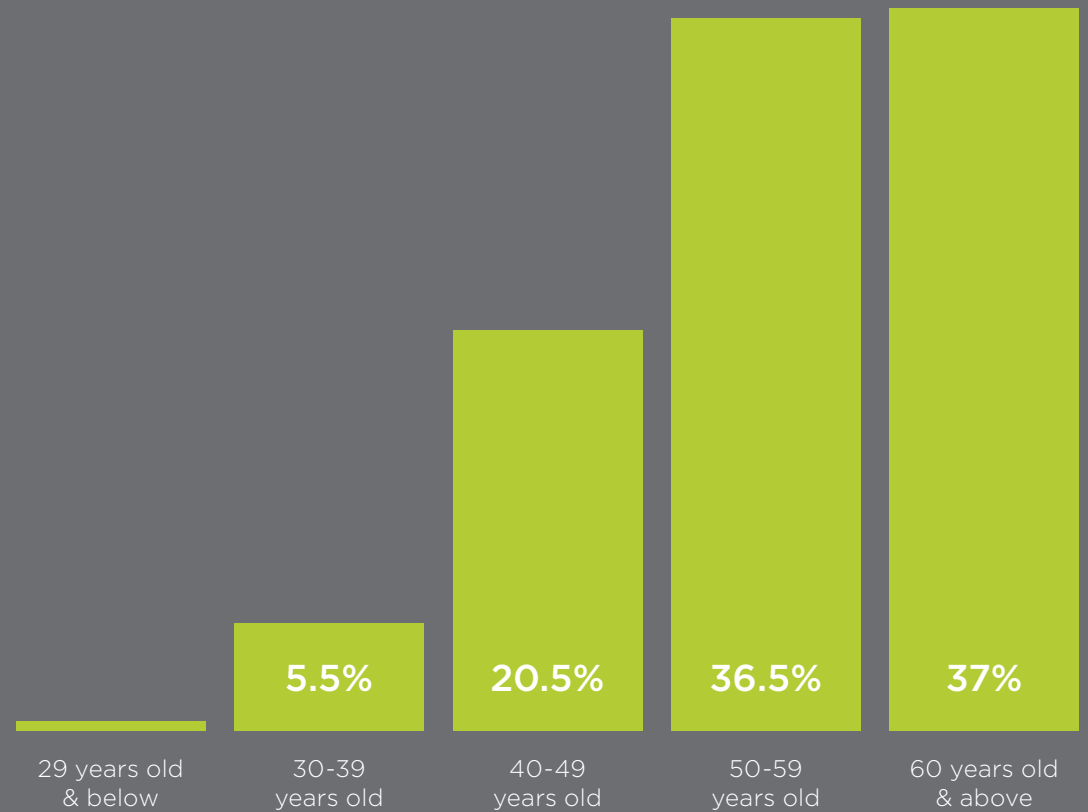
A POTENTIAL DEMOGRAPHIC TIMEBOMB? DEMOGRAPHICS OF THE ADVICE SECTOR

Gender differences in the industry



n = 200

Age differences in the industry

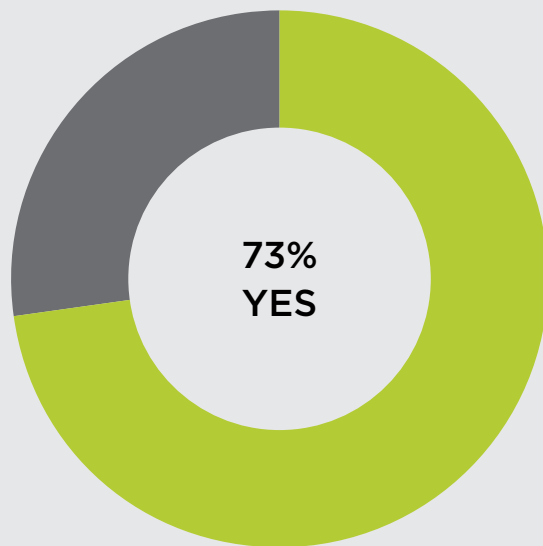


A POTENTIAL DEMOGRAPHIC TIMEBOMB? 30% PLAN TO EXIT IN 5 YEARS

Three in 10 may be looking to leave the industry in the next five years, with older professional financial advisers driving the likely exits.

More Kiwis could be deprived from enjoying the value of professional financial advice given the impending exits of older professional financial advisers and a view that the regulatory changes could restrict the entry of new professional financial advisers.

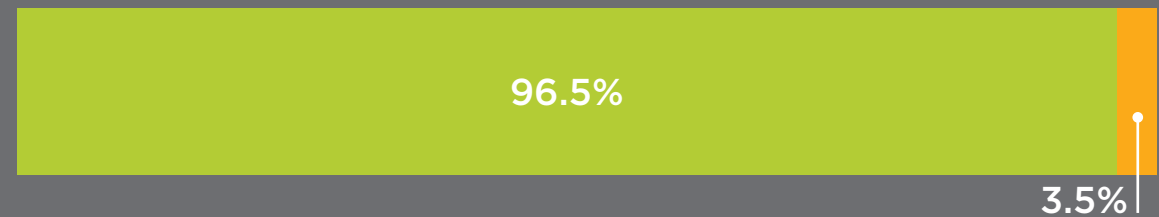
Do you think these regulatory changes will restrict the entrant of new professional financial advisers to the industry?



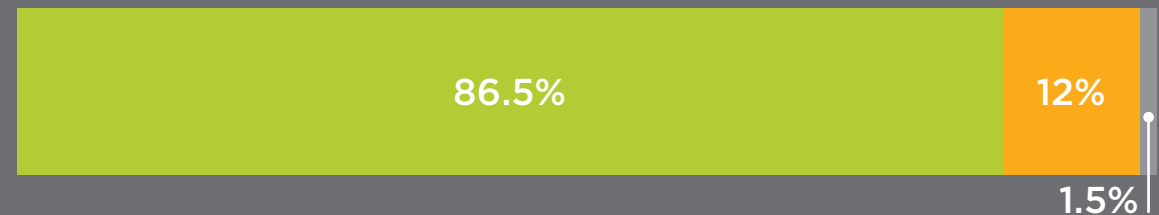
n = 200

How likely are you to remain working in the New Zealand financial services industry over the next ...?

12 months



3 years



5 years



■ Likely
 ■ Unlikely
 ■ Not sure

06

SECTION FOUR ANNEXES



ANNEX A: FINDING HELP AND PROFESSIONAL FINANCIAL ADVICE

1. Covid-19

The Government continue to offer a wide range of help and advice including support to look after your emotional and mental wellbeing.

For more information go to covid19.govt.nz/

2. Provider help and support

Your life and health insurance, KiwiSaver and investment provider will have support in place to help you. These will range from payment holidays to advice on accessing your investments or KiwiSaver should you be in difficulty.

They are also there for you if you have less urgent queries about your policies and investments, and now is a great time to check-in that you have the right levels of protection and are in the right type of KiwiSaver or investment funds.

Access our member websites by clicking on the member logo at www.fsc.org.nz/About/Members

3. Online resources to help you manage your finances

The Sorted website has a whole range of resources to help you in plain English. From tailored tools to help you decide how to best manage your money through to making decisions about KiwiSaver and insurance, the site has case studies, helpful articles and provides real, practical help.

Visit sorted.org.nz.

4. Getting help from a professional financial adviser

A professional financial adviser will help coach you through your financial situation and support you in getting the right financial plan to meet your needs. Professional financial advice is available and accessible for all and by getting professional financial advice, you are more likely to be confident about money and improve your wellbeing.

The Financial Markets Authority regulates professional financial advice in New Zealand, and more information about professional financial advice and where to find professional financial advisers can be found at www.fma.govt.nz/investors/getting-financial-advice/



ANNEX B: METHODOLOGY

The research was conducted via a series of online surveys developed and hosted by CoreData.

- Professional financial adviser survey – conducted between 28 August and 25 November 2020 with 200 valid complete responses
- March Consumer survey (Money & You*) – conducted between 12 March and 20 March 2020 with 2,000 valid complete responses
- April Consumer survey (Financial Resilience Index*) – conducted between 30 April and 3 May 2020 with 1,000 valid complete responses
- August Consumer survey (Financial Resilience Index*) – conducted between 6 August and 7 August 2020 with 1,000 valid complete responses
- The valid complete responses collected formed the basis of the analysis and the report. The sample is representative of the New Zealand consumer population in terms of age, gender and income based on the latest Stats NZ data. The purpose of this survey was to understand the views of the professional financial advice community in 2020.

CORE DATA
research

*Previous research findings and methodology can be found at [fsc.org.nz](https://www.fsc.org.nz)



ANNEX C: DEMOGRAPHICS OF PROFESSIONAL FINANCIAL ADVISER SURVEY RESPONDENTS*

Gender

Female	17.7%
Male	82.3%
Other/non-binary	0%
Total	100%

Age Group

29 years old & below	0.5%
30-39 years old	5.5%
40-49 years old	20.5%
50-59 years old	36.5%
60 years old and above	37%
Total	100%

Ethnic Group

European	86.7%
Maori	2.1%
Pacific People	2.7%
Asian	2.1%
MELAA (Middle Eastern, Latin American, African)	0%
New Zealander/Kiwi	5.3%
Other	1.1%
Total	100%

Region

Auckland	27%
Bay of Plenty	5%
Canterbury	24.5%
Gisborne	0.5%
Hawke's Bay	4%
Manawatu-Wanganui	5%
Marlborough	0%
Nelson	4%
Northland	1%
Otago	3.5%
Southland	1.5%
Taranaki	4%
Tasman	1%
Waikato	7%
Wellington	12%
West Coast	0%
Total	100%

*Previous research findings and methodology can be found at [fsc.org.nz](https://www.fsc.org.nz)

Which of the following best describes your role(s)?

Accountant	0%
Bank employee	0.5%
Financial planner	16.5%
Mortgage adviser	4.5%
Personal risk insurance adviser	58.5%
General insurance adviser	1.5%
Investment adviser	11.5%
Other	7%

How long have you been working in the financial services industry?

Less than 3 years	0.5%
3 years to less than 5 years	5.5%
5 years to less than 7 years	2.5%
7 years to less than 10 years	4.5%
10 years to less than 15 years	10.5%
15 years to less than 20 years	14%
20 years or more	62.5%
Total	100%

Approximately how many clients do you directly manage?

100 or less	11.3%
101 to 200	18.5%
201 to 500	33.8%
501 to 1,000	15.4%
More than 1,000	21%
Total	100%

What percentage of the clients that you directly manage would you meet with at least once a year?

Less than 20%	16%
20% to less than 40%	33%
40% to less than 60%	20%
60% to less than 80%	12%
80% or more	19%
Total	100%

How long has the practice in which you work been in operation?

Less than 3 years	5.5%
3 years to less than 5 years	6%
5 years to less than 7 years	4.5%
7 years to less than 10 years	7%
10 years to less than 15 years	20%
15 years to less than 20 years	13.5%
20 years or more	43.5%
Total	100%

Including yourself, how many staff who give professional financial advice does the practice in which you work employ?

5 or fewer	80.5%
6 to 10	8%
11 to 20	6%
21 to 50	2%
51 to 100	2.5%
101 to 200	0.5%
More than 200	0.5%
Total	100%

How much revenue did the practice in which you work turn over in the last financial year?

\$250,000 or less	34.3%
\$250,001 to \$500,000	23.6%
\$500,001 to \$1,000,000	14%
\$1,000,001 to \$2,000,000	11.8%
More than \$2,000,000	9.6%
Not sure	6.7%
Total	100%

As a proportion of revenue, what was the net profit of the practice in which you work in the last financial year?

Less than 5%	5.5%
5% to less than 10%	9.1%
10% to less than 15%	9.8%
15% to less than 20%	5.5%
20% to less than 25%	7.9%
25% or more	41.5%
Not sure	20.7%
Total	100%

ANNEX D: ABOUT THE FINANCIAL SERVICES COUNCIL

The FSC is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 91 members comprise 95% of the life insurance market in New Zealand and manage funds of more than \$83bn. Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.

The Financial Services Council has developed the Professional Advice Knowledge Hub that includes up to date information the changes and a new 'Disclosure' guide.

Find out more at fsc.org.nz

Other Research

Life Insurance:

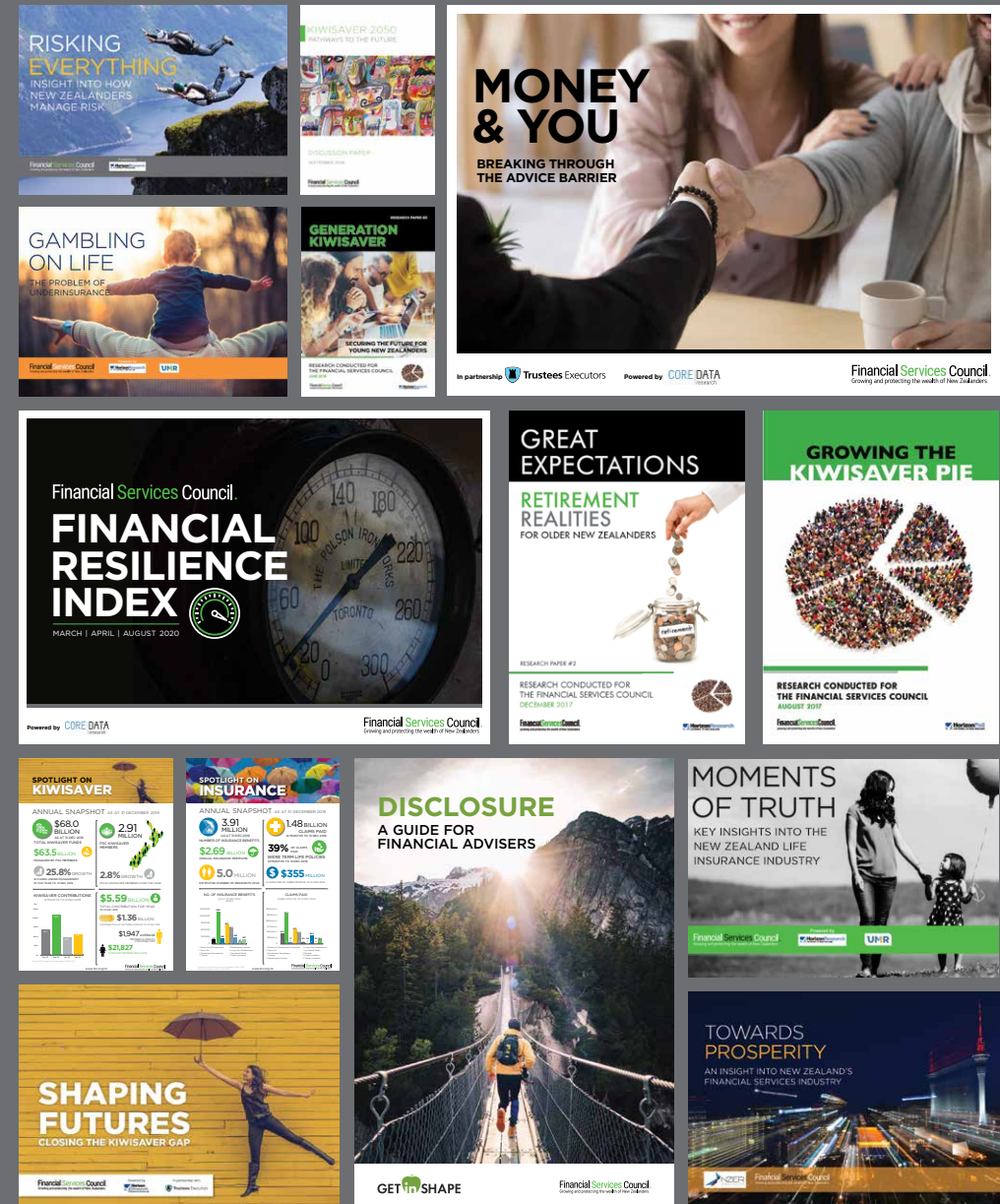
- Gambling of Life
- Moments of Truth
- Risking Everything

KiwiSaver:

- Generation KiwiSaver
- Great Expectations
- Growing the KiwiSaver Pie
- KiwiSaver 2050 - Pathways to the Future
- Shaping Futures: Closing the KiwiSaver Gap

Financial Services Industry:

- Financial Resilience Index
- Money & You
- Spotlight on KiwiSaver
- Spotlight on Life Insurance
- Towards Prosperity



































FINANCIAL SERVICES COUNCIL MEMBERS

Accuro Health Insurance	AIA Insurance	AMP Financial Services	ANZ Bank	AON	ASB	Asteron Life Ltd
						
BNZ Investments and Insurance	CIGNA Life Insurance NZ Ltd	Civic Financial Services	Consilium	Craigs Investment Partners	Fidelity Life Assurance Co Ltd	FNZ
						
Forsyth Barr	Generate KiwiSaver	Imperial New Zealand Superannuation Fund	KiwiWealth	Medical Assurance Society New Zealand Limited	Mercer (NZ) Ltd	Milford Asset Management Limited
						
Momentum Life	nib	New Zealand Post Superannuation Plan	Partners Life	Pinnacle Life	Police Association	Resolution Life
						
SmartsharesNZ	Southern Cross	Southsure Insurance	Te Rūnanga o Ngāi Tahu	The New Zealand Anglican Church Board	UniMed	Unisaver Limited
						
Westpac Bank						
						

3M Superannuation Scheme
 Baptist Union Superannuation Scheme
 BECA Super Scheme
 BOC NZ Retirement Plan
 BP New Zealand Retirement Plan
 Colgate-Palmolive Superannuation Plan
 Dairy Industry Superannuation Scheme
 DXC (New Zealand) Staff Superannuation Fund
 Maritime Retirement Scheme
 MISS Scheme
 MERBP Trustee Limited
 mysuper Superannuation Scheme
 Nestlé Pensions (New Zealand) Limited
 New Zealand Steel Pension Fund
 NZAS Retirement Fund
 NZ Fire Service Superannuation Scheme
 New Zealand Beneficiary Fund
 Police Superannuation Scheme
 Ports Retirement Plan
 Reserve Bank of New Zealand
 Sealed Air (New Zealand) Superannuation Fund
 Shell New Zealand Pensions Limited
 The Presbyterian Church of Aotearoa
 The Trustees of the Church of Jesus Christ of Latter-Day Saints Deseret Benefit Plan for New Zealand

FINANCIAL SERVICES COUNCIL ASSOCIATE MEMBERS

New Zealand Automobile Association	Anthony Harper	Bell Gully	BNP Paribas	Bravura Solutions	Chapman Tripp	Chatswood Consulting Ltd
						
Davies Financial & Actuarial Ltd	Deloitte	Dentons Kensington Swan	DLA Piper	Ernst & Young	Guardian Trust	GenRe
						
Hannover Life Re	Healthcare Plus	Ivanov Consulting Limited	KPMG	Link Market Services	Mahony Horner Lawyers	Melville Jessup Weaver
						
Minter Ellison Rudd Watts	MMC Limited	Mosaic	MunichRE	Price Waterhouse Coopers	Public Trust Corporate Trustee Services	RGA Reinsurance
						
SCOR Global Life	Strategi Group	Swiss Re	Trustees Executors Limited			
						

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