

21 December 2012

General Manager  
Retail Investor Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [futureofadvice@treasury.gov.au](mailto:futureofadvice@treasury.gov.au)

Dear Sir/Madam,

**Exposure Draft - Legislative amendments relating to the use of the expressions 'financial planner' and 'financial adviser'**

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$500 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

**Use of the titles 'financial planner' and 'financial adviser'**

AIST welcomes the addition of the terms 'financial planner' and 'financial adviser' to the list of protected terms relating to advisers and salespeople in financial services. We consider that this protection is vital to ensuring that consumers are not misled and welcome the certainty that will be brought to this profession into the future.

Whilst we notice that this measure extends to the terms 'financial adviser' and 'financial planner', we note that there are a variety of other titles given to professionals who provide a personal advice service, for example:

- Investment consultant;
- Financial consultant;
- Personal client adviser;
- Private client adviser;
- Investment adviser;
- Retirement planner; and
- Lifestyle/lifecycle planner.

These titles have been used ambiguously by financial planners and other financial services professionals alike, such as lenders and financial salespeople. Uncertainty is created by use or

misuse of titles such as those above. We point to the statement made by the Minister for Financial Services and Superannuation in his policy statement of 28 November 2012, where he pointed out that:

*The Gillard Government recognises the need for quality financial advice, and for Australian consumers to have trust and confidence in their financial planners and advisers, is critical.*

We believe that trust and confidence is fundamental. Australians should be able to know that the professional whom they are dealing with is skilled to a certain level and carries out certain services. AIST would support strengthening this measure so that those professionals who are both able and authorised to provide personal financial advice to retail clients can only use the terms 'financial planner' or 'financial adviser'.

It is imperative that Australians know precisely what services they are going to receive when they conduct business with a financial planner. To ensure that there is no confusion, we propose that advisers be required to publicly display the title 'financial planner' or 'financial adviser', regardless of what internal title the adviser works under in their organisation. Furthermore, where the terms 'financial planner' or 'financial adviser' are used in professional titles, we support qualifiers being used such as 'senior...' or 'associate...' etc.

However, it is essential that the financial services regulator be involved in ensuring that the public is clearly guided in seeking financial advice. To this end, we believe that ASIC should communicate to the public that investors should look for the term "financial planner/financial adviser" whenever they seek personal financial advice.

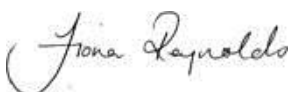
#### **Scope of advice and 'designated financial products'**

AIST supports the scope of the titles 'financial planner' and 'financial adviser' as they relate to advice being provided on products that are more complex than those classified under the umbrella description, 'designated financial product'.

AIST supports all other areas of this legislation. We believe it is a much needed step in clarifying financial planning as its own distinct profession.

If you have any further questions regarding this submission, please contact Richard Webb, Policy and Regulatory Analyst on 03 8677 3835 or at [rwebb@aist.asn.au](mailto:rwebb@aist.asn.au).

Yours sincerely,

A handwritten signature in cursive script that reads "Fiona Reynolds".

Fiona Reynolds  
**Chief Executive Officer**