# Draft Future of Financial Advice Bill Tranche 1

## Joint Consumer Submission

**(funded by ASIC's Consumer Advisory Panel)**

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16 September, 2011

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## Joint Consumer Submission

### Introduction

1. This is the Joint Consumer Submission in response to the Government's consultation on the Exposure Draft Corporations Amendment (Future of Financial Advice) Bill 2011, released 29 August 2011 (draft Bill). A list of individual consumer representatives and consumer organisations (consumer representatives) consulted during the development of this Joint Consumer Submission is set out in paragraphs 46 and 47 below.

2. The consumer representatives welcome the opportunity to comment on the draft Bill. They do, however, note that the consultation period of less than 3 weeks is wholly inadequate, especially given the importance of the reforms in the draft Bill and the need to coordinate comments amongst a number of consumer organisations. Short consultation periods place considerable burdens on consumer organisations' limited resources. Additionally, the consumer representatives note that it is difficult to comment on this tranche of the draft Future of Financial Advice legislation before seeing the second tranche, given the interconnectedness of the Future of Financial Advice reforms.

3. The consumer representatives strongly support the objectives of the draft Bill, namely, to improve the quality of financial advice, build trust and confidence in the financial planning industry, and facilitate access to financial advice through the provision of simple or limited advice.

4. However, the consumer representatives do have a number of concerns about the draft Bill. In particular, they are concerned that:

- the limited application of the fee disclosure statement requirements in the draft Bill does not reflect the Government's policy intent, as reflected in the Minister's media release[1] (see paragraphs 6 – 14 below);
- the application of the fee disclosure statement and renewal notice requirements to an unnecessarily limited group of clients means that significant numbers of consumers will be denied the benefits of the reforms (see paragraphs 6 – 14 below);
- the fact that the disclosure statement does not require disclosure of commissions, or other non-fee forms of remuneration, will mean that consumers are neither fully informed nor empowered (see paragraphs 15 – 18 below); and
- the approach to product investigation and approved product lists (APLs) will mean that, for many clients, the standard of advice will not be higher than under the current law (see paragraphs 19 – 23 below).

If these issues are not addressed the Future of Financial Advice Reforms will not achieve their stated objectives in relation to most consumers.

5. The submission also sets out, in paragraphs 24 – 45 below, a number of other issues that the consumer representatives feel should be addressed in order to ensure that, when implemented, the reforms deliver real and significant benefits to consumers.

## Policy Intent and Limitations on the Disclosure Statement and Renewal Notice

### What is the problem?

6. Under the draft Bill both the requirement to provide renewal notices and the requirement to provide fee disclosure statements only apply to new clients. 'New client' is narrowly defined in proposed s962(3)[2] as a client who has never been provided with any form of financial product advice as a retail client by the relevant licensee or authorised representative (AR) before the commencing day (ie 1 July 2012) and who enters into an ongoing fee arrangement with the relevant licensee or AR on or after 1 July 2012.

[1] See The Hon Bill Shorten MP, Future of Financial Advice Reforms – Draft Legislation (29 August 2011, Media Release, No 127).
[2] Unless otherwise stated, all proposed section references are references to provisions in Schedule 1, item 13 of the draft Bill.

7. These renewal notice and fee disclosure statement requirements are crucial for the protection of retail clients. The renewal notice requirement ensures that disengaged clients do not pay fees for little or no service. The fee disclosure statement ensures that clients are aware of the fees they are paying and the services they receive in return for those fees; in this sense it is like an annual invoice or statement of account. Importantly, the fee disclosure statement provides clients with information they do not receive from the Financial Services Guide (FSG) or the Statement of Advice (SOA). It provides them with retrospective information about the fees they have actually paid and benefits their advisers have actually received. The FSG is a forward looking document and so only provides information about prospective remuneration. In general, this is also true of an SOA and an SOA does not need to include disclosure of fees to be paid by the client, such as hourly fees, that are payable irrespective of whether the client acts on the advice. Further, the prospective remuneration information in the fee disclosure statement is likely to be more precise and meaningful for clients than the prospective information in the FSG and SOA because it relates only to the coming year.

8. Given the capacity of fees to erode savings, both the fee disclosure statement requirement and the renewal notice requirement have the potential to significantly enhance the wealth of those who have the benefit of them. It is important to note that access to the additional information in the fee disclosure statement will benefit retail clients, regardless of whether they receive the renewal notice or not. In other words, the fee disclosure statement and the renewal notice are not intrinsically linked, even though the draft Bill, as currently drafted, links them and gives them the same scope. Access to the fee disclosure statement information may be very valuable for clients who do not receive the renewal notice because this information may enable such clients to overcome their disengagement and take appropriate positive action to ensure that they do not pay fees for little or no service.

9. Under the draft Bill a significant number of retail clients will not have the benefit of these important requirements. There will be two classes of clients:

- those who do not have the benefit of the requirements because they received some advice from a licensee or AR prior to 1 July 2012 and are still with the same licensee or AR (or its assignee); and
- those who do have the benefit of the requirements because they receive advice for the first time on or after 1 July 2012 or are wise enough to terminate any existing arrangement and go to a new adviser on or after 1 July 2012. (Interestingly, even if a client wants to stay with their existing licensee or AR they will have to change licensee or AR if they want to be in this class. Consumer organisations may have to advise clients to change advisers after 1 July 2012.)

10. The first class of clients will be significant in size. ASIC Report 251 *Review of financial advice industry practice* shows that the 20 largest licensees that provide financial product advice to retail clients had, in the period covered by the ASIC research, 4.6 million clients.[3] These clients, plus existing clients of smaller licensees, will not have access to the reforms (assuming they stay with their existing adviser). They will not get the benefit of the annual fee disclosure statement and they may still pay ongoing fees for little or no service for the rest of their lives. The protection to the disengaged that the reforms promise will not be delivered for this class. Interestingly, ASIC Report 251 *Review of financial advice industry practice* shows that of the 4.6 million clients of the top 20 licensees, almost 1.5 million were identified as active. The remaining approximately 3.1 million clients of these top 20 licensees may, in fact, be paying for little or no service and, under the draft Bill, they will receive neither a renewal notice nor fee disclosure statement setting out the fees their adviser receives.

11. As evidenced by the Minister's media release, this undesirable result does not appear to have been intended, at least in relation to the fee disclosure statement.[4]

## What is the solution?

[3] See also the research referred to in paragraph 40 of ASIC Report 224 *Access to financial advice in Australia* which indicates 20% to 40% of adult Australians use or have used a financial adviser.
[4] See The Hon Bill Shorten MP, Future of Financial Advice Reforms – Draft Legislation (29 August 2011, Media Release, No 127).

12. The consumer representatives consider that, because of the importance of the fee disclosure statement and renewal notice requirements for retail client protection, both these requirements should apply to all clients.

13. However, if this approach is not adopted, the draft Bill should be amended to:

- in relation to the fee disclosure statement – give effect to the Government's intention that the fee disclosure statement be given to all clients on and after 1 July 2012. That is, proposed s962(3) should not apply to limit the application of the fee disclosure statement provisions; the draft Bill should unlink the fee disclosure statement and the renewal notice. The consumer representatives note that there can be no objection to, and, in fact, there are many precedents for, the imposition of new disclosure obligations in relation to existing clients and contracts. Moreover, as stated in paragraphs 7 and 8 above, the fee disclosure statement provides important information which is valuable for retail clients that do not receive a renewal notice; and
- in relation to the renewal notice –
    - apply the renewal notice requirements to all clients who enter into a new ongoing fee arrangement on or after 1 July 2012. That is, proposed s962(3)(a) should be deleted. This would at least reduce the class of retail clients who will not have the benefit of the renewal notice provision. The consumer representatives note that there can be no objection to the application of new statutory requirements to new contractual arrangements. Further, this amendment would avoid the absurd situation that a retail client will have to change licensee or AR if they wish to have the benefit of these important reforms; and
    - apply the renewal notice requirement to all clients who have a new licensee or AR after 1 July 2012 because their ongoing fee arrangements are assigned to new licensees or ARs. That is, a new paragraph should be added to proposed s962(3) so that it is clear that the requirements in Division 3 in relation to renewal notices apply where the client enters into the ongoing fee arrangement on or after 1 July 2012 *or* the rights of the licensee or AR under

the ongoing fee arrangement are assigned to another person on or after 1 July 2012. Again, this change would further reduce the class of clients who are denied the benefits of the renewal notice requirements.

14. Almost all the consumer representatives are of the view that renewal notices should be given to clients annually. (NICRI supports renewal notices being given once every 2 years.) The consumer representatives who support an annual renewal notice do so because they remain unconvinced that annual opt-in is unreasonably burdensome for providers. The consumer representatives who hold this view, however, recognise that an annual opt-in is off the discussion table. Given the importance of renewal notices in helping to protect consumers, all consumer representatives would strongly object to the renewal notice period being extended beyond two years (e.g. extending the requirement to a 3 year opt-in notice period would, in the consumer representatives' view, be completely unacceptable).

## Disclosure of Commissions

### What is the problem?

15. The fee disclosure statement will not disclose commissions (or other forms of remuneration not paid by the client) that the adviser has received or will receive because of the advice the adviser has given to the client: proposed s962E. In addition, the fee disclosure statement and renewal notice requirements are not triggered if the adviser is remunerated other than by a fee paid by the client because, under proposed s962A(1), the requirements only apply where the client 'agrees to pay a fee'. That is, the requirements are not triggered if the adviser is remunerated solely through commissions.

16. Even after the proposed ban on conflicted remuneration is implemented, commissions (and other non-fee forms of remuneration) will still feature in the remuneration of advisers both because the proposed ban will only apply to new clients and because commissions will still be payable on most risk insurance products. These forms of remuneration will still potentially distort advice and should be disclosed to consumers so that they are fully informed and empowered to take action to protect their own interests. The Government has indicated that disclosure of remuneration, commissions and product

fees should be unbundled so that consumers can see the impact of commissions.[5] It will be efficient for industry if this unbundled disclosure occurs in the fee disclosure statement.

### What is the solution?

17. Proposed s962E should be amended to require disclosure of:

- commissions and other remuneration the provider (its AR, licensee or other related parties) received in the previous 12 months because of the advice provided to the client; and
- commissions and other remuneration the provider anticipates the provider (its AR, licensee or other related parties) will receive in the next 12 months because of the advice provided to the client,

as well as the fee paid by the client in the previous 12 months and the fee adviser anticipates the client will pay in the next 12 months.

18. The definition of ongoing fee arrangement in proposed s962A should be replaced with a definition of 'ongoing arrangement' which includes arrangements under which the provider, (its AR, licensee or other related parties) will receive non-fee remuneration because of the advice given to the retail client. This will ensure that the requirements are triggered even if the adviser is remunerated solely through commissions or other non-fee benefits.

## Product Investigation and APLs

### What is the problem?

19. When the adviser has an APL, the standard of advice received by retail clients will not be higher than under the current law because advisers will be able to limit their recommendation to the 'appropriate' products on the APL, even if that is not in the best interests of the client. This is a significant impediment to the reforms achieving their stated objective of improving the quality of financial product advice because APLs are

[5] '*By 1 July 2013 the industry will be required to unbundle disclosure so the dollar and percentage value of commissions are disclosed for all new and renewed policies. This will enable customers to see the impact of commissions on their premiums.*' See The Hon Bill Shorten MP, Future of Financial Advice Reforms – Draft Legislation (29 August 2011, Media Release, No 127).

pervasive in the financial advice industry. The research set out in ASIC Report 251 *Review of financial advice industry practice* shows that each of the top 20 licensees that provide financial product advice to retail clients use and maintain an APL.

20. Under the draft Bill advisers can recommend a product on an APL even if they know, or a reasonable adviser would know, of a product that better meets the client's objectives and needs. This is a significant concern because product issuers' increasing ownership of advice businesses means that, at least in the short term, many advisers may have an APL which is largely confined to products manufactured by a related product issuer. Without some amendment to the draft Bill the reforms are not likely to move advisers from 'product pushers' to trusted professionals. Moreover, contrary to the suggestion in the draft Explanatory Memorandum to the draft Bill,[6] there will be no incentive for licensees or ARs to craft better APLs.

21. The problem can be illustrated by the following example: *Adviser A has an APL and determines that her client needs a term deposit. The term deposit on adviser A's APL has an interest rate of 5% pa. Adviser A knows that Bank B has a special rate of 5.5% pa on its otherwise identical term deposit. Adviser A recommends the term deposit on her APL, not that issued by Bank B.* This recommendation would satisfy proposed s961C ('best interests') and proposed s961G (special provision about APLs) and proposed s961H (appropriate advice). It may not satisfy proposed s961L (conflict of interests) *if* the term deposit on Adviser A's APL is issued by Adviser A's licensee or AR. However, even in this situation a breach will be difficult to establish (requiring proof of Adviser A's actual or constructive knowledge of the issuer's conflict of interest). Another difficulty involved in establishing any breach is that the draft Explanatory Memorandum to the draft Bill[7] suggests that the advice could be given in this situation by implying that advice is not to be given only if there is no product on the APL which is appropriate.

### What is the solution?

22. The consumer representatives think that proposed s961G should be deleted.

[6] See paragraph 1.54, draft Explanatory Memorandum to the draft Bill.
[7] See paragraph 1.31, draft Explanatory Memorandum to the draft Bill.

23. In addition, proposed s961C(2) should be amended to clarify that a provider cannot recommend any product (even if it is on its APL) if the provider knows, or it is reasonably apparent, that the client's objectives or needs could be better met if the client acquired another product. (This mirrors the language in proposed s961C(d).) At a minimum, the conflict of interests provision in proposed s961L should be amended to clarify that a provider breaches this provision if they recommend a product, in which their licensee, AR or a related party of the licensee or AR, has an interest, in circumstances where the provider knows, or it is reasonably apparent, that the client's objectives and needs could be better met if the client acquired another product. (Please also see the consumer representatives' comments on 'reasonable investigation' in paragraphs 32 – 35 below.)

## Other Issues

### Drafting of proposed s961(5)

24. Proposed s961(5) is unclear. It would be more comprehensible if instead of referring to 'the person who provides the advice' it referred to the 'the financial services licensee'.

### Form of duty in proposed s961C

25. The requirements in proposed s961C(2) indicate that the duty in proposed s961C is really a duty to exercise reasonable care and diligence, rather than a duty to act in the best interests of the client. That is, it is analogous to the duty imposed on directors by s180 *Corporations Act 2001* and on responsible entities by s601FC(1)(b) *Corporations Act 2001*. The description of this duty as a best interests duty may cause uncertainty and unpredictability. It may be difficult for courts to interpret the duty and the outcome of judicial interpretations may not further the Government's policy aim.

26. To avoid this situation the legislation should be amended to make it clear that providers have both:

- an obligation to act in the best interests of their client and prefer the interests of their clients where there is a conflict between their clients' interests and the interest of the provider, their licensee, their AR or related parties; and
- a duty to exercise reasonable care and diligence.

27. To achieve this outcome proposed s961C could be redrafted to provide: when providing advice the provider must exercise the care and diligence that a reasonable person would exercise if:

- they were providing advice on the same subject matter to the retail client; and
- had a reasonable level of expertise in the subject matter of the advice to be given to the retail client.

Proposed s961C(2) would then become the steps the adviser must take to ensure it exercises reasonable care and diligence.

28. If this change is made then proposed ss961K and 961L should both be redrafted to provide that the provider must:

- act in the best interests of the client; and
- if there is a conflict between the interests of the client and the provider's interest (or the interests of the licensee, AR or a related party), prefer the interests of the client.

That is, these provisions should be modeled on s601FC(1)(c) *Corporations Act 2001*.

29. The consumer representatives note that this suggested change would not increase the obligations or duties imposed on advisers in any way. In particular, they note that advisers already have an obligation to exercise due care.[8] The purpose of the suggested change is to ensure that the amendments in the draft Bill do not create uncertainty and unpredictability. The consumer representatives have seen the re-draft of these provisions produced by the Industry Super Network and agree with this re-draft which in, in substance, achieves the same result as suggested in paragraphs 25 – 28 of this submission.

## Objectives, financial situation and needs

30. The phrase 'objectives, financial situation and needs of the client', as used in proposed s961C(2), is not clear because there is no indication of what an adviser is to do if these attributes are not aligned. For example, it is not clear what the adviser should do if the client's objectives are to grow their funds for retirement significantly but their financial

[8] Such an obligation would be an implied term of a contract to supply financial advice. See s12ED *Australian Securities and Investments Commission Act.*

situation and needs are not consistent with the acquisition of high-risk products that might achieve a high return.

31. Proposed s961(2)(i), or at least the Explanatory Memorandum, should make it clear that 'objectives, financial situation and needs of the client' is a composite or compendious phrase, much like 'efficiently, honestly and fairly' in s912A(1)(a) *Corporations Act 2001*.[9] That is, it should be clear that the adviser must consider the client's objectives in light of their needs and financial situation, their needs in light of their objectives and financial situation and their financial situation in light of their objectives and needs.

## Reasonable investigation

32. Proposed s961C(2)(g) is unclear. For example, the phrase 'of which the provider is aware' in proposed s961C(2)(g) could relate to the products or to the objectives and needs of the client. The draft Explanatory Memorandum indicates that it is supposed to qualify the products that have to be investigated but, as written, the phrase appears to qualify the objectives and needs of the client.

33. Additionally, together proposed ss961C(2)(g) and 961E fail to recognise that there are two issues that should be dealt with:

- what products the adviser should investigate, and
- the standard of the investigation.

34. Proposed s961E should be amended so that it is clear that the provider:

- does not have to investigate every product available, but should investigate the products that a reasonable adviser would investigate; and
- should conduct this investigation to the same standard as a reasonable adviser.

Such an amendment would be consistent with the remainder of proposed s961C(2) which requires an adviser to meet the same standard as a reasonable adviser ie a person with a reasonable level of expertise in the subject matter of the advice that has been requested by the client.

[9] See *Story v National Companies and Securities Commission* (1988) 13 NSWLR 661, 672.

35. Finally, proposed s961C(g)(ii) should be amended to recognise that, while providers are able to use, and be guided by, research prepared by others, they are still required to be satisfied that their advice is appropriate and in the best interests of clients. This means they must conduct a reasonable assessment of the research prepared by others and not rely on it if it is unreasonable to do so.

### Switching advice

36. Proposed s961C(2)(h) does not fit easily with the existing s947D *Corporations Act 2001*, which sets out the additional information an SOA must contain when switching advice is given. Proposed s961C(2)(h) should be amended so that it is clear that if an adviser recommends that a client dispose of an existing product and instead acquire another product, the adviser will have to conduct an investigation of the existing product and only recommend the switch if it is reasonable to conclude that the client's objectives and needs could be better met if the client switched products.

37. The word 'not' in proposed s961C(2)(h)(ii) should be deleted.

### Definition of APL in proposed s961G

38. The definition of APL in proposed s961G(1) is unnecessarily restrictive. If proposed s961G is retained, the definition should be amended so that proposed s961G applies whenever a licensee or AR imposes restrictions on the products and product classes that its advisers can recommend. As currently drafted the provisions could be avoided simply by restricting the products on which the adviser can advise by means other than a 'list'.

### Related parties' conflict of interests

39. Proposed ss961K and 961L will not protect clients from all relevant conflicts of interests. As currently drafted, these proposed sections do not apply if a related party of the provider, licensee or AR has an interest that conflicts with that of the client. For example, the provisions would not be triggered to protect the client if the provider recommended that the client acquire a financial product issued by the parent company of the provider's licensee. The provisions should be amended so that they apply whenever there is a conflict between the interests of the client and the interests of:

- the provider;

- the licensee,
- the AR; or
- a related party of the provider, licensee or AR.

### Representatives entering into agreements

40. Proposed s962(1) provides that the fee disclosure statement and renewal notice requirements apply where a licensee or an AR enters into an ongoing fee arrangement with the client. This may create a potential gap where a representative other than an AR (eg an employee of a licensee or related body corporate of the licensee) enters into the arrangement with the client in its own name or the name of the related body corporate. This may not be a common situation but the potential gap could easily be fixed by providing that the requirements apply to arrangements entered into by licensees and representatives.

### Termination of ongoing fee arrangements

41. Proposed s962J provides that if, following the giving of a renewal notice, the client notifies the adviser within the renewal period (ie the 30 days following the giving of the renewal notice) that the client elects to end the ongoing fee arrangement, then the arrangement terminates 30 days after the end of the renewal period (ie 60 days after the giving of the renewal notice). This would be the case even if the adviser received the election immediately after giving the renewal notice. In other words the provision gives the adviser up to 60 days to wind down the ongoing fee arrangement. This seems an excessively long period in which to keep the ongoing fee arrangement on foot. The provision should be amended to provide that the arrangement terminates as soon as possible after receipt of the election and in any case within 30 days of receipt of the election.

42. Proposed s962L provides that if the client does not notify the adviser within the renewal period (ie the 30 days following the giving of the renewal notice) that it wishes to renew the ongoing fee arrangement, then the arrangement ends a further 30 days after the end of the renewal period. That is, proposed s962L gives the adviser 30 days to wind down the ongoing fee arrangement. This provision should be amended to provide that the

arrangement ends as soon as possible after the end of the renewal period and in any case within 30 days of the end of the renewal period.

### Limitation on civil penalty provision when agreement terminated

43. An adviser who continues to charge an ongoing fee after the ongoing fee arrangement has been terminated because of a client election following receipt of a renewal notice (proposed s962J) or following the client's failure to opt-in (proposed s962K), is liable for a civil penalty under proposed s962L. However, an adviser who continues to charge the ongoing fee after the client elects to terminate the ongoing fee arrangement at any other time (ie at sometime other than the 30 days following the giving of a renewal notice) is not liable for a civil penalty. This gap should be fixed.

### Relevance of dishonesty offences to banning

44. Proposed s920A(1A)(a) (sch 2, item 8, draft Bill) should be amended so that when considering whether a person is of good fame or character ASIC must have regard to any conviction for fraud or an offence involving dishonesty. As currently drafted ASIC only must have regard to any conviction of the person within 10 years before that time for serious fraud.

45. ASIC's power to ban individuals, who are not of good fame and character, from participating in the financial services industry is important for the protection of consumers. While proposed s920A(1A)(a) merely sets out one of the factors that ASIC must have regard to when considering whether a person is of good fame and character, it impliedly sends the wrong message by setting the bar very high. It also seems inconsistent with the provisions in relation to disqualification of directors, which provide that a person automatically becomes disqualified from managing corporations if they are convicted of an offence that involved dishonesty and is punishable by imprisonment for at least three months: s 206B(1)(b)(ii) *Corporations Act 2001*.

## Organisations and Representatives Consulted

46. The following consumer organisations have been consulted in the development of this Joint Consumer Submission and endorse its contents:

- Australian Investors Association
- CHOICE
- Consumer Action Law Centre
- COTA
- National Information Centre on Retirement Investments Inc

Information about each of these consumer organisations is set out in Table 1 at the end of this submission

47. The following individuals have contributed to the content of the submission:

- Stephen Duffield, Consumer representative FOS (Panel)
- Jenni Eason, Member ASIC's Consumer Advisory Panel, Australian Investors Association

- David Leermakers, Policy Officer, Consumer Action Law Centre
- Catriona Lowe, Chief Executive Officer, Consumer Action Law Centre
- Jenni Mack, Chair ASIC's Consumer Advisory Panel, Chair CHOICE
- Wendy Schilg, Member ASIC's Consumer Advisory Panel, Chief Executive Officer, National Information Centre on Retirement Investments Inc

## Table 1: Consumer Organisations endorsing the Joint Consumer Submission

| No | Consumer Organisation | Description |
|---|---|---|
| 1 | Australian Investors Association (**AIA**) | The AIA was formed by a small group of investors in 1991.<br><br>It is an independent not-for profit organisation focused on delivering investor education so Australian individuals can become better long-term investors.<br><br>The AIA offers a range of education services to its members including investment conferences, seminars, information email bulletins, discussion groups and website information covering a diverse range of topics (i.e. equities, derivatives, managed funds, property and self-managed superannuation funds.<br><br>The AIA is also involved in policy work and campaigns through its engagement with the media, Government and other regulatory bodies.<br><br>For more information about the AIA see:<br>http://www.investors.asn.au |
| 2 | CHOICE | CHOICE first began in 1959 when the first female member of the WA Parliament's upper house, Ruby Hutchison, and her husband ran informal meetings on ways for consumers to protect themselves.<br><br>CHOICE is the public face of the Australian Consumers' Association (**ACA**). It is an independent, not-for profit organisation, with over 200,000 subscribers.<br><br>CHOICE, as part of its core work:<br>• provides independent consumer information, advocacy and advice to consumers on a diverse range of consumer goods and services;<br>• conducts scientific product reviews; and<br>• is an active advocacy group that is constantly agitating government and industry groups to ensure consumer rights are protected and running campaigns against unjust consumer policies and practices.<br><br>For more information about CHOICE see:<br>http://www.choice.com.au |
| 3 | Consumer Action Law Centre | CALC is a campaign-focused consumer advocacy, litigation and policy organisation. |

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| | (**CALC**) | It was formed in 2006 by the merger of the Consumer Law Centre Victoria and the Consumer Credit Legal Service and is jointly funded by Victoria Legal Aid and Consumer Affairs Victoria.<br><br>It provides a range of services including:<br>• as a community legal centre - free legal advice and representation to vulnerable and disadvantaged consumers across Victoria;<br>• legal assistance and professional training to community workers who advocate on behalf of consumers; and<br>• as a policy and research body – input to law reform agendas and Government bodies across a range of consumer issues, and also through the media, and community.<br><br>For more information about CALC see: http://www.consumeraction.org.au |
| 4 | COTA | COTA was established in 1951 to protect and promote the well-being of Australian seniors.<br><br>It is an independent consumer organization with both individual and senior organizational members Australia-wide.<br><br>COTA has particular regard for the vulnerable or disadvantaged and seeks to give a voice to senior Australians.<br><br>COTA's main focus includes:<br>• developing and formulating policy positions to assist Government and regulators;<br>• promoting active ageing and a positive image of ageing;<br>• representing the interests of all older people;<br>• provide assistance to seniors who seek re-employment; and<br>• collecting, interpreting and providing information to individuals.<br><br>For more information about COTA see: http://www.cota.org.au |
| 5 | National Information Centre on Retirement Investments Inc (**NICRI**) | NICRI is a free, independent, confidential service which aims to improve the level and quality of investment information provided to people with modest savings who are investing for retirement or facing redundancy.<br><br>NICRI gives general information on investing and how to complain, information about the financial planning industry (e.g. how to find an adviser, their fee structures, etc) and provides a telephone information service for consumers wishing to know about investment products, how to improve their financial |

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| | | situation and where else to go to get assistance.<br><br>NICRI also has a role in government policy making with respect to investment issues.<br><br>For more information about NICRI see: http://www.nicri.org.au |