

4 February 2022

Advice and Investment Branch
Retirement, Advice and Investment Division
The Treasury
Langton Crescent
PARKES ACT 2600

via email: AdviceReview@treasury.gov.au

Dear Sir/Madam

Quality of Advice Review – Draft Terms of Reference

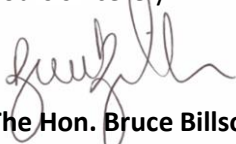
We welcome the opportunity to comment on The Treasury's draft terms of reference for the Review of the Quality of Financial Advice. Our Office strongly believes small business owners and all consumers should be confident that their financial advice services are of a high quality, affordable and are supported by appropriate consumer protections. Recent changes in adviser education standards and consumer protection requirements have been broadly successful in rebuilding consumer confidence, but the increased regulation has also increased advice costs.

The review should seek to ensure regulation is rightsized, remove red tape where appropriate and drive productivity improvements. It is critical that the review balances consumer protection with reducing regulatory barriers, costs, and supporting advisers to provide affordable advice. As such, the review terms may benefit from the following inclusions:

- **Section 1.0.** Appropriately identify advice participants to include financial coaches, social media influencers and substitute providers of advice and their influence on the quality of advice.
- **Section 2.4.** Establish a framework that encompasses legislative change, stakeholder cost/benefits, appeal to new entrants, and considers government support to mitigate the costs to small businesses in achieving both regulatory compliance and professional standing.
- **Section 3.2.** Right-size wholesale investor regulations to achieve relevant and robust parameters that provide adequate consumer protection.
- **Section 4.0.** Investigate how all stakeholders can achieve economic benefits and quality improvements through utilisation of technology. The review should also identify Government assistance to support small businesses to adopt and invest in technology change.
- **Section 6.0.** The independent reviewer should have access to an independent panel of experts.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr David Meakin on 02 5114 6106 or at david.meakin@asbfeo.gov.au.

Yours sincerely



The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman