

21 September 2022

Ms Michelle Levy
Independent Reviewer
Quality of Advice Review Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

via email: AdviceReview@treasury.gov.au

Dear Ms Levy

Quality of Advice Review – Proposal for Reform

We welcome the opportunity to provide further comment on the Quality of Advice Review (the Review) and proposed changes to the financial advice regulations and processes to ensure the framework supports access to affordable, high quality advice services whilst incorporating adequate consumer protections.

We acknowledge the intent of the proposed changes to improve the quality of advice. Industry associations have identified that to fully leverage the benefits of the Review recommendations, consideration should be given to the establishment of a dedicated agency to support and advise stakeholders through the transformation, monitor progress, and regularly report back to Government. As such we make the following comments:

- 1. The Review should consider including a recommendation that a dedicated Financial Advice Standards Board be formed to proactively oversee the advice sector.** The proposed Financial Advice Standards Board will assist advisers and consumers to achieve consistent, transparent, and high-quality outcomes via the provision of technical guidance, interpretations, governance, and professional standards oversight.
- 2. The proposed reforms should clearly delineate between simple advice that can be provided by Non-Relevant Providers and complex advice provided by Relevant Providers.** Segregation of some advice processes, standards and consumer expectations will clearly have pros and cons. It is important that there are no unintended nuances, which result in the dilution of the quality of advice, professional standards, or act as a bias against small advice businesses.
- 3. Determine licensee, insurers, and regulators appetite to embrace the flavour of the proposed changes via the pre-emptive identification and mitigation of potential roadblocks, unintended consequences and maximise stakeholder goal congruence.** For the proposed reforms to be successfully implemented, functional and achieve the Review's objectives, it is important to synchronise all stakeholders' expectations and appetite for change.

- 4. The Review should seek to identify and quantify stakeholder benefits, efficiencies, and costs from its recommended changes to identify if any of the stakeholders will be disadvantaged by the proposed changes.** The proposed changes will restructure existing advice processes and attribution of costs, and it is important for small advice businesses to understand and be appropriately supported if the proposed changes are likely to impact on their businesses so that they are no worse off for the provision of like for like services and high-quality customer outcomes.

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

A handwritten signature in black ink, appearing to read 'Bruce Billson', written in a cursive style.

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