



Australian Government
The Treasury

TSY/AU

Quality of Advice Review

Template for response

August 2022



Consultation process

Request for feedback and comments

Interested parties are invited to provide feedback on the proposals for reform listed in the Quality of Advice Review Proposals Paper using the template in [Appendix 1](#). Consultation will close on Friday 23 September 2022.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses in a Word or RTF format via email. An additional PDF version may also be submitted.

Publication of submissions and confidentiality

All of the information (including the author's name and address) contained in submissions will be made available to the public on the Treasury website unless you indicate that you would like all or part of your submission to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as such in a separate attachment.

Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.

View our [submission guidelines](#) for further information.

Closing date for submissions: 23 September 2022

Email	AdviceReview@TREASURY.GOV.AU
Mail	Secretariat, Quality of Advice Review Financial System Division The Treasury Langton Crescent PARKES ACT 2600
Enquiries	Enquiries can be initially directed to AdviceReview@TREASURY.GOV.AU

Appendix 1: Consultation template

Name/Organisation: George Collie

Questions

Intended outcomes

1. Do you agree that advisers and product issuers should be able to provide to personal advice to their customers without having to comply with all of the obligations that currently apply to the provision of personal advice?

Yes.

What should be regulated?

2. In your view, are the proposed changes to the definition of 'personal advice' likely to:
 - a) reduce regulatory uncertainty?
 - b) facilitate the provision of more personal advice to consumers?
 - c) improve the ability of financial institutions to help their clients?

Unsure.

3. In relation to the proposed de-regulation of 'general advice' - are the general consumer protections (such as the prohibition against engaging in misleading or deceptive conduct) a sufficient safeguard for consumers?

a) If not, what additional safeguards do you think would be required?

Yes, and I agree with the proposed changes to 'general advice'.

How should personal advice be regulated?

4. In your view, what impact does the replacement of the best interest obligations with the obligation to provide 'good advice' have on:

a) the quality of financial advice provided to consumers?

b) the time and cost required to produce advice?

Unsure.

5. Does the replacement of the best interest obligations with the obligation to provide 'good advice' make it easier for advisers and institutions to:

- a) provide limited advice to consumers?**
- b) provide advice to consumers using technological solutions (e.g. digital advice)?**

Unsure.

6. What else (if anything) is required to better facilitate the provision of:

- a) limited advice?**
- b) digital advice?**

Unsure.

- 7. In your view, what impact will the proposed changes to the application of the professional standards (the requirement to be a relevant provider) have on:**
- a) the quality of financial advice?**
 - b) the affordability and accessibility of financial advice?**

Unsure.

- 8. In the absence of the professional standards, are the licensing obligations which require licensees to ensure that their representatives are adequately trained and competent to provide financial services sufficient to ensure the quality of advice provided to consumers?**
- a) If not, what additional requirements should apply to providers of personal advice who are not required to be relevant providers?**

Yes.

Superannuation funds and intra-fund advice

9. Will the proposed changes to superannuation trustee obligations (including the removal of the restriction on collective charging):

- a) make it easier for superannuation trustees to provide personal advice to their members?**
- b) make it easier for members to access the advice they need at the time they need it?**

Unsure.

Disclosure documents

10. Do the streamlined disclosure requirements for ongoing fee arrangements:

- a) reduce regulatory burden and the cost of providing advice, and if so, to what extent?**
- b) negatively impact consumers, and if so, how and to what extent?**

a)

Yes, I believe the proposal to remove FDS' and product fee consent forms will reduce the regulatory burden and the cost of providing advice to a notable extent. These documents are quite time consuming and provide little to no benefit.

b)

No. The fee will still be disclosed to the clients in the proposed fee estimate form. The over disclosure of ongoing adviser fees in the current legislative framework is an insult to client's intelligence.

11. Will removing the requirement to give clients a statement of advice:

- a) reduce the cost of providing advice, and if so, to what extent?**
- b) negatively impact consumers, and if so, to what extent?**

a)

No, I don't think it will, as the advice document will still have to be completed in case the client requests a copy of it under the proposed changes.

b)

No, I think it will have a positive impact on clients. I agree with the proposed changes to the SOA, even though I don't think it will save time or reduce the cost passed onto the client. My prediction is that I would still provide them with a written document (even though I'm not required to), but one that is a much more concise summary of the advice provided (a few pages maybe), without the templated legal text and other prescriptive components. I believe that clients would prefer this to a SOA/ROA in their current form, and by removing the components that they rarely/never read, it will improve their understanding of the advice and lead to a better client experience.

12. In your view, will the proposed change for giving a financial services guide:

- a) reduce regulatory burden for advisers and licensees, and if so, to what extent?**
- b) negatively impact consumers, and if so, to what extent?**

a)

Yes, but only to a minimal amount. I don't see the provision of FSG's as a highly time-consuming process (especially when compared to FDS', TMD/DDO, SOA/ROAs).

b)

No. I agree with the proposed changes.

Design and distribution obligations

13. What impact are the proposed amendments to the reporting requirements under the design and distribution obligations likely to have on:

- a) the design and development of financial products?**
- b) target market determinations?**

a)
Unsure.

b)
The requirement to read and store on file a TMD for every product the client is being recommended to purchase and every product the client is being recommended to retain is onerous and of little to no benefit to anyone. I support the removal of this requirement which I believe would increase the accessibility and affordability of financial advice.

Transition and enforcement

14. What transitional arrangements are necessary to implement these reforms?

Unsure.

General**15. Do you have any other comments or feedback?****Professional Indemnity Insurance**

PI insurance is a considerable cost that reduces accessibility and affordability of financial advice. Has thought been given to removing the obligation on financial advisers having PI insurance? Or if this isn't going to be put forward as a recommendation, have discussions been had with PI providers about how PI premiums can be brought down?