Delivering Better Financial Outcomes

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| Detailed OverviewJune 2023 |

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| Removing regulatory red tape that adds to the cost of advice without benefiting consumers |
| * The “Safe Harbour” steps, originally designed to protect financial advisers, will be removed from the Best Interest Duty with consultation to determine implementation details and the implications of adopting the remaining parts of recommendation 5 (accept in principle part of recommendation 5).
* Ongoing fee renewal and consent requirements will be streamlined into a single form, and the requirement to provide a fee disclosure statement will be removed (accept recommendation 8).
* Statements of Advice will be replaced with an advice record that is more fit-for-purpose, with consultation to determine the final design of the replacement (accept in principle recommendations 9).
* More flexibility will be provided in how financial service guide requirements can be met (accept recommendation 10).
* Standardised consumer consent requirements will be introduced to classify a consumer as a wholesale or sophisticated client (accept in principle recommendation 11).
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| * Certain exemptions to the ban on conflicted remuneration will be simplified and some removed, including:
	+ clarifying that monetary or non-monetary benefits given by a client are not conflicted remuneration along with the removal of consequential exceptions (accept recommendations 13.1 and 13.3);
	+ removing an exception to conflicted remuneration rules for the issue of financial products where advice has not been provided in the previous 12 months (accept recommendation 13.4); and
	+ removing an exception to conflicted remuneration rules for agents or employees of Australian Authorised Deposit-Taking Institutions (accept recommendation 13.5).
* The Government will defer consideration of a review of time-sharing schemes (recommendation 13.6), until after the completion of Treasury’s review into the regulatory framework for Managed Investment Schemes.
* Standardised consumer consent requirements will be introduced for life, general and consumer credit insurance commissions (accept recommendations 13.7 – 13.9).
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| Expand access to retirement income advice |
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| * The restrictions on collective charging will be amended to allow superannuation funds to provide more retirement advice and information to their members (accept in principle recommendation 6).
	+ This will work with industry to consider adopting, and tailoring as needed, recommendations 1–4, the remaining parts of recommendation 5, and recommendations 12.1, 12.2, and 13.2 to implement recommendation 6.
* Superannuation trustees will be provided with legal clarity around current practices for the payment of adviser service fees (accept in principle recommendation 7).
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| Exploring new channels for advice |
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| In conjunction with implementing recommendation 6, the Government will explore expanding the provision of advice by other institutions by consulting industry and consumer stakeholders on recommendations to:* Broaden the definition of personal advice (recommendation 1)
* Remove the general advice warning (recommendation 2)
* Allow non-relevant providers to provide personal advice (recommendation 3)
* Introduce a good advice duty (recommendation 4)
* Amend the Design and Distribution Obligations (recommendations 12.1 and 12.2)

This consultation will also finalise implementation details for:* the design of the replacement for Statements of Advice
* the implementation details and the implications of adopting the remaining parts of recommendation 5.
* the Financial Adviser Code of Ethics
* expanding access to affordable retirement advice.

Government consultation will test how these proposals might operate under different advice models, including digital advice models, and across sectors. Consultation will also consider practical policy design and implementation issues, including in relation to consumer protections.The Government will issue its final response on the Delivering Better Financial Outcomes package later in 2023. |