

The Shop, Distributive and Allied Employees' Association

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3 June 2022

Michelle Levy
Independent Reviewer
Quality of Advice Review

c/- Quality of Advice Review Secretariat
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Sent electronically to: AdviceReview@treasury.gov.au

Re: Quality of Advice Review: Issues Paper, March 2022

Dear Ms Levy,

The SDA welcomes the Quality of Advice Review and notes its role in advising the government on an appropriate regulatory framework for financial advice so that more people are able to access affordable financial advice when they need it and in the form they want.

Firstly, 'quality' can be synonymous with comprehensive and complicated. This is a trap into which the SDA seeks that the review does not fall. Quality can also mean, simple. For example,

- it should be okay to hear from your super fund that 'for most people putting money into superannuation when you're young is a good thing' and that not being advice. Learning the benefit of compounding interest should not be dependent on answering a myriad of questions about the rest of your life and triggering a statement of advice.
- it should be okay to hear from your insurer to say to you that 'insurance can help when things go wrong' without them spending your fees on excessive documentation. It is currently hard to learn the benefits of some products, such as income protection which was initially offered in super as a public policy response to Australians being underinsured. For some cohorts it remains true that income protection would not be available, would be more expensive, and would require a health clearance if it were not provided as group insurance through super.

Secondly, Australians also need protection from those with directive and perceived expertise, especially at times of vulnerability. Unscrupulous advisers have taken advantage of others at the time of the loss of a loved one and the receipt of inheritance and at the time of retirement. While Australians need it to be easier to navigate everything from 'financial counselling' to 'limited' and/or 'comprehensive' advice, they also need greater access to a middle ground where they can schedule the space and time to plan with the help of another and decent calculators. This is what is sometimes known as 'financial coaching'.

Regards,



Gerard Dwyer
National Secretary-Treasurer

Shop, Distributive & Allied Employees' Association

About the SDA



The Shop, Distributive and Allied Employees' Association (the SDA) is one of Australia's largest trade unions with over 210,000 members. Our members work in retail, warehousing, fast food, hairdressing, beauty, pharmacy, online retailing, and modelling.

The majority of SDA members are women (60%, approximately 131,000), under 35 years (57%, approximately 120,000 workers), and low-income. Retail and food services are two of the three lowest industries for median weekly earnings.

The SDA has a long history of advocating on behalf of members. We do this through enterprise bargaining; making submissions regarding Awards and the National Employment Standards to provide a relevant safety net; and through numerous submissions made to parliamentary and government inquiries and other important reviews.

The SDA has 10 policy principles that guide our engagement in these reviews. For a list of these, see Attachment 2.

Rationale for SDA policy positions



SDA policy is driven by providing value to our members whose work is regulated by a broken industrial framework. We seek an economic system that supports, protects and advances the interests of working people in this country.

Our predecessors built the conciliation and arbitration system which provided the foundations to our nations prosperity over a century ago, it is now our responsibility to build a system for the next generation.

Since the introduction of the Fair Work Act 2009 and subsequent radical changes to the financial and digital context inequality has grown and economic and political power has concentrated in the hands of a few.

We believe that fundamental not incremental change is needed. In contributing to policy, we seek to drive a new system that acknowledges the change that has occurred and will withstand the emerging world of work.

We engage in topics that help us drive this agenda and are guided by ten principles that we believe will create value for our members. Those principles are:

1. **Address Inequality & Enshrine Fairness**
Minimum expectations must be set and adhered to.
2. **Equity & Empowerment**
All workers must be supported to progress so that no-one is left behind.
3. **Mobility & Security**
A socially successful economy must provide opportunity for all, regardless of their background. Systems must be built in a way that support success and adaptation in a rapidly changing world of work.
4. **Delivering Prosperity & Growth For All**
A foundation for prosperity and economic growth must be achieved.
5. **Protection in Work & Beyond**
Workplaces and the community must be healthy and safe for all workers and their families during and beyond their working lives.
6. **Workers Capital & Superannuation**
Workers capital and superannuation must be an industrial right for all workers and treated as deferred earnings designed for dignity and justice in retirement.
7. **A Strong Independent Umpire**
A strong, independent, cost effective and accessible industrial umpire and regulator must be central to the future system of work in Australia.
8. **Protection & Support for Our Future**
Protecting and supporting our future requires a strong and vibrant retail industry and supply chain providing jobs with fair and just remuneration and contributing to the economy including through skilled workers.
9. **Work & Community**
Work is a fundamental human activity that provides for personal, social and economic development. Work as it operates in community must build and protect a balance between life at work and life so that workers can contribute to society through the wider community.
10. **Institutional Support for Collective Agents**
Institutional support must provide for collective agents (registered organisations) so that they are recognised, enshrined and explicitly supported as central to the effective functioning of the system.

Details of specific policy positions can be discussed by contacting the SDA National Office

