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: Russell Mann – 24kWealth

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?**
YES

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

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?

It should not have any impact of the quality of advice if proper advice is being given in the first instance. The proposed changes will help to reuce costs and time which in turn will allow for advice to be given on a more cost effective bases to lower income consumers.

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)?**
YES in both instances. And more cost effective.
6. What else (if anything) is required to better facilitate the provision of: **a) limited advice?** **b) digital advice?**
Simple process and engagement with simply written advice as proposed. Allow digital advice to be generic in nature for the less complex advice issues.

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?**
The quality of advice should not alter if being provided under a professional status regime. Limited or one off advice on simple queries will be more cost effectively handled and be able to be provided to a wider and nroad consumer base that may not be able to afford advice due to cost constraints.
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?

I believe so. Members should have access to advice but they should pay for this advice. All other professions charge a fee for service and advice. The financial industry should be no different. The members should have access to advice and it should be individual members cost.

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?

ABSOLUTELY. One fee consent is all that is required and it would help if a generic template be provided so as to element any uncertainty as to what is acceptable to any party as to the correct wording or time as to consent notice.

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?**

ABSOLUTELY. It will save on time, paper, costs as well as make documents more meaningful for the consumer as the advice will relate only to them and their circumstances.

I do not see any adverse impact on the consumer.

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?**

YES – and there would not be any negative impact on the consumer. They can always have access to the information. The current regulations are too draconian

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?**

The changes should remove the need for excessive validation reporting and recording of facts that would otherwise have been addressed and covered off under proper advice and produce considerations. E.g. the target market determination regulations was an over excessive reporting requirement on the industry. The sectors that abused this element of advice should have been dealt with separately.

Transition and enforcement

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

The reforms should be introduced ASAP.

General

15. Do you have any other comments or feedback?

1. Any product providers should NOT be able to provide advice. (i.e. banks, fund manager,)
2. superannuation funds should ensure that advisers are fully qualified or alternatively outsource advice to **independent** advisor firms for which the funds pays a set fee for service on behalf of the member seeking advice.
3. Influencers should not be able to provide advice. Only qualified relevant providers with full educational status should be able to provide advice.
4. Advisers over 45 years of age with greater than 15 years of experience should be give leniency on education standards otherwise, the industry will lose to many quality and experience advisers. Those under 45 years of age need to be professionally qualified
5. All and any financial advice fees should be tax deductible
6. All life and TPD Insurance premiums should also be tax deductible, with a corresponding taxable component on any claim payouts.