



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

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## Appendix 1: Consultation template

**Name/Organisation:** SBA Financial Pty LT D (Shane Bond own licence) ( 6 staff) phone number (03) 9331 1572 email shane@sbafinancial.com.au

### 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 **I do agree that advisers should be able to provide personal advice to their customers but not product issuers.**

**This is a conflict of interest.( product issuers )**

I have been in the business since **1978 ( over 44 years )** have studied for two years for the Fasea exam. I have done exam nine times, **I have failed nine times.**

I have had **three** different mentors, have done **three different courses** over the last 2 years- I have done countless Kaplan Exams 85% , done countless Bt and Tal exams 85% done , I have done exams with My integrity 4 times (85%

I have done Gary weigh exams 2 times ( over 100 plus questions 85% pass- yet I cannot

I don't get what they are trying to do. I The exam has cost me around \$20,000. ( inclusive of costs and courses)

How can an academic teach someone who has been around for over 45 years in the Financial planning industry . ( I think we understand what is needed to keep clients )

I have been this industry over 40 odd years, have worked out accountants s office for five years have worked weekends with an account for 20 years.

But now I cannot give advice because I cannot pass this exam which is corrected by **academics** and not by advisers who stood the test of time in this industry.

Now is the time that you need experienced advisers to help people.

Life experiences count a lot more than passing an exam when advising clients .

I have a clean bill of health for over 40 years and have never had a complaint against me and my organisation.

Where is the gratitude for having experienced advisers around to guide people in retirement.

**A suggestion is that any adviser has been in the industry over 30 years, should not have to pass a bloody exam to prove that they are good enough to give advice.**

It is a slur on the industry to let advisers leave the industry because of an exam.

If older advisers cant pass the exam let them still advise but make them go and work with a group for a period so that they understand what THE ACADEMICS want.

**DON'T BE SURPRISED IF THERE IS A CLASS ACTION AGAINST THE GOVERNMENT- you are denying advisers their livelihood**

**I am seeking advice from a lawyer to see how my exam was corrected and wanted it shown to me how I failed ( and all the others in order to start some kind of action)- I did not fail I was failed by the examiners**

## 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?

The answer is a, b & c-

By reducing compliance costs and keeping advice simpler for people will both work for advisers and clients who want to look after their clients.

Adviser need to provide good advice for fair cost.

The need to reduce on going FDS and consent forms will certainly help ( maybe every 3 years

0 for both institutions and advisers

There is still a stigma where people don't want to pay or don't recognise advisers because of all the negative campaign of Industry funds over the last 20 years plus the investigation into Financial services ( remember the main culprits were the banks )

In respect of advice People don't want to speak to young advisers, ( who may have passed the exam) they want to speak to experienced advisers ( most of them have been forced out of the industry)because of FASEA  
The pie is big enough  
Plus remember Industry funds don't advise on ordinary investments – yet they think there is one size that fits all

**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?**

There should be just general advice and personal advice – no factual advice , factual information – but provide warnings- ( I am not giving you personal advice I am giving you options to consider – you DECIDE- I a not considering your position or circumstances)

There should not be retail and wholesale clients- just advice clients – You must provide advice in writing

There should be opt- in every 3 years not every year  
Same with consent forms

## 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 will save time on unruly paperwork

### It will reduce the cost to produce the advice

Quality advice normally comes from experienced advisers who have worked across a lot of areas who have had many life experiences

Adviser should always act in clients best interest – whether they give good or great advice

You don't have to work to a framework but within

Obligations for good advice – may be 1 page document- signed off by client and adviser ( not war and peace not like what FASEA wants )

You only should have to provide FSG at the start of the meeting

You should not have to print war & peace in an SOA ( how long has this conversation about advice been going for 20-30 years- Cmon

You should not have to supply FDS, consent , opt in – but you should have to keep detailed notes

An ROA can be an email, text , verbal not a 5 page document

This is the only way you are going to get clients to get and pay for advice ( scaled advice- or basic advice) relating to 1 subject)

A Client data form may be scaled up or down depending on the advice wanted. Depending on what advice area(s) you are advising on

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)?**

Advice should be simple not complicated – The BID is a convoluted process that confuses both advisors and clients and only seems to keep ACADEMICS in jobs  
Limited advice should be simple where a good advisor can make a complicated process simple in the eyes of the client so they understand the advice in layman's terms.

Tech solutions are only 1 part – Clients want to be able to relate to their adviser and work with the advisor

It is about the adviser, the culture of the adviser, the fair mindedness of the adviser, how the adviser thinks about himself and the client to help the client achieves their goals.

If the process had not been tampered with the way it has been e.g. BID and the pressure on advisers ( exams etc ) then we would not be having this questionnaire  
The goal is about making sure good people are kept in the industry and bad people are out of it ( e.g. Dixon advisory- got greedy) Storm Financial, the banks )  
This is all about advisors – making sure long term advisors stay in the industry to have sustainable business helping people for good value and fee and use these businesses as an example for others to copy

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

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

The best thing you can do is keep quality advisers around- get rid of FASEA for experienced advisers and make sure that experienced advisers work with Young advisers

Limited advice and digital advice – the provision of is only as good as the advisor providing the advice

**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 advice industry is broken from both adviser and product issuer

Industry funds , ALP , Product issuers are killing each other

It has cost me 2 years out of my business trying to pas FASEA – my clients suffer in the downturns of the markets because my focus is else where

My clients are the ones who have suffered- These changes have cost us a fortune- our profit is non existent and we have hardly lost clients .

There is a theory that FASEA want old advisors out of the industry – I am 68 and cannot pass exam - ?????



**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?**

We pay \$38000 for prof standards , we pay \$40,000 pa for Iress, we pay \$34000 for PI, we pay another \$6000 for levies for both Fin planning and Loans It  
We have to our 40 points pa another cost, We have to pay for other incidentals  
Our staff costs \$incl super \$1,000,000 pa  
Our profit has gone down from \$500,000 to about \$80k  
Our oncost are another \$100,000 and The Govt want more- why would you stay and put up with what we have to put up with ( you need to sort Stephen jones out so he understands)  
And you want us to have low cost advice –  
There advisers who passed the exam and are young who should not be in the industry- It's a joke ( but they get around it because they di things and got away with things before the code came in  
Train the kids let the experienced advisers train the kids

**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?**

Na

**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?**

No  
Yes – they don't to have things to sign for ongoing arrangements

**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?

Must give SOA only when advice is new advice- it should be brief and to the point  
ROAs can be verbal and then email or text

**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?

FSG -they don't read it

**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?

What a waste

Get the balanced funds be 60% growth 40% income not 80% Growth and 20% income like the industry funds ( misleading and deceptive ( thy include alternatives etc0

**Transition and enforcement**

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

Tansitional arrangements can be started straight away

Get rid of Fasea Exam for experienced advisers ( 30 years plus in industry , no claims against them, Keep advice simple

Have fasea exam for new advisers

<b>General</b>
<b>15. Do you have any other comments or feedback?</b>