

Appendix 1: Consultation template

Name/Organisation:

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 agree, due to the prohibitive costs associated with providing an SoA. Too many of my clients (accounting/tax clients) balk at the high fees charged by advisers and therefore miss out on sound financial advice

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?

(a) yes
 (b) yes, and this is why I am very supportive of these reforms
 (c) 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?

No. There needs to be a complete ban on all forms of conflicted remuneration such as stamping fees on IPO's on the ASX.

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?

(a) no change, removing all forms of conflicts of-interest should ensure that all advice is good advice

(b) substantial reduction for unsophisticated clients that can't understand SoA's and don't read them, where verbal advice or a Powerpoint Presentation plus file note is far more practical and effective in providing advice

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)?

(a) Yes, it'll be easier to provide advice. But without a safe harbour test what defines the scope of the advice provided?

(b) I don't plan on using technological solutions, a high portion of my clients are pre-retirees and retirees that are uncomfortable with technology

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

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

(a) A generic statement signed by the customer agreeing on the scope of advice.

(b) Not my area of expertise

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?

a) No change

b) substantially more affordable

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?

I disagree with this, all providers of personal advice must be relevant providers to ensure good advice has the best chance of being delivered.

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?

(a) yes, but this should be restricted to areas specific to the super fund such as investment selection and whether to be in accumulation phase or pension phase.

(b) yes

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, elimination of FDSs will reduce cost of ongoing advice and make it less expensive for customers.

(b) no

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) yes. SOA's typically take 10-16 hours to do. Meetings, power point presentations, diagrams etc should take around half the time of an SOA

b) No, in fact the reverse, if customers actually understand the advice, they are likely to make better decisions

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. Currently I only take on clients with a S708 certificate, as it is too costly and uncommercial to provide SOAs to retail customers.

b) no, customers can ask for a FSG if they want this information, most customers find FSGs confusing

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?

Not applicable to me.

Transition and enforcement

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

None.

General

15. Do you have any other comments or feedback?

This is an excellent discussion paper.

I agree with the recommendations to reduce the compliance burdens on financial planners to reduce the cost of providing advice.