



Senate Economics References Committee - Inquiry into the Treasury Laws Amendment (Delivering Better Financial Outcomes and other measures) Bill 2024: 13 June 2024

Opening statement: Michelle Huckel, Policy Manager, Stockbrokers and Investment Advisers Association

Thank you, Senators, for inviting Stockbrokers and Investment Advisers to appear today. Our members represent the full range of financial advice providers, from full-service wealth advisers to online brokers, and our members are impacted by this bill in a variety of ways. We provided a submission that comprehensively set out our views to this inquiry in April, and we're also a member of the Joint Associations Working Group, members of which are also appearing before you today.

The bill before this Committee proposes to make various changes, and the ones that are relevant to our members are those that provide additional clarity for the deduction of adviser fees from superannuation, the reduction of red tape in ongoing fee arrangements, and the allowance of additional flexibility in the provision of financial services guides.

I think it's important not to lose sight of what we're trying to achieve here. Witnesses who appeared before you earlier today have emphasised that. That is to increase the accessibility and affordability of advice to Australians at a time when they're having to negotiate an increasingly complex and volatile environment and in many cases having to provide entirely or substantially for their own retirement.

I think it's also vital that we not lose sight of the problems that this legislative package is meant to solve. It was summed up very succinctly and accurately by Michelle Levy that the current regulatory framework for financial advice is an undoubted impediment to consumers being able to access affordable and high-quality financial advice. This means that the Corporations Act, which contains these impediments, has to be changed.

In regard to the provisions about ongoing fee arrangements, these are of considerable importance to our members. Each day that passes without these amendments results in our members' clients receiving a flurry of forms that in many cases cause them frustration and confusion and add to the cost of advice, and we consider it important that these provisions are passed.

In regard to the FSG flexibility, we support these provisions, and we also support the parliamentary amendments to schedule 1 to the bill that enable financial services guides information to be made available online to support both general and personal advice. This is an important amendment that will enable those of our members who provide both personal and general advice in the form of research reports to rely on the flexibility provisions.

In regard to the deduction of advice fees from superannuation, we echo the concerns of other members of the Joint Associations Working Group, and I know that representatives from the FAAA and other organisations will be able to assist the committee with the details of what changes would be required to achieve the outcome of reducing red tape. However, amending the bill to support that approach shouldn't delay the passage of the provisions that reduce red tape which brings no benefit to consumers and adds to the cost of advice, and so that's why we support the remainder of the bill being passed.

I'm happy to take the Committee's questions.