

From: [REDACTED]
Sent: Sunday, 29 March 2020 12:55 PM
To: feeconsentsandindependence
Subject: Consultation Paper 329 - Feedback
Attachments: cp329-published-10-march-2020.pdf

Good Morning ASIC,

RE: Consultation Paper 329 – Advice Fee Consents & Independence Disclosure

Summary of Recommendations:

Observations from the outcome of Royal Commission:

The continued and persistent repetitive and duplicative approach by the regulator regarding disclosure and authority to deduct fees is designed with a couple of goals in mind. Firstly, to create doubt in the customer's mind as to the validity of paying fees. Asking someone again and again and again and again to confirm their authority for advice fees to be paid does that! Secondly, the duplication adds additional cost to an already time consuming and expensive process. The secondary goal is to make Financial Planning advice unaffordable and inaccessible to the large majority of Australians.

Outcome of current regulatory path:

1. The vast majority of Australians will not have access to Financial Planning Advice – this is a goal for the product manufacturers
2. The cost of providing advice increases dramatically – this is a goal of product manufacturers
3. The number of Financial Planners will reduce dramatically (estimated loss of 50%) – this is a goal of product manufacturers
4. Due to 1, 2 & 3 the regulator will allow product manufacturers (regulatory carve outs) to flog their product using scoped/digital/AI/Robo advice channels. The Banks, Industry Funds and other large product manufacturers will be allowed to do what the Royal Commission was meant to stop. The Big Business Execs that have escaped the fall out of the Royal Commission will be back in business, full swing.

My Recommendation:

One form: Service & Fee Disclosure (Becomes a separate part of the Statement of Advice that is reissued every year).

This form combines everything in Consultation Paper 329 including Conflicts of Interest (Not Independent), SoA, OASA and FDS

The FSG needs to remain a separate document but can be referred to in the "Service & Fee Disclosure" document/part of SoA

The "Service & Fee Disclosure" document is the source of all Authority to all parties associated, the customer, adviser, product provider, regulatory bodies and other authorities. No more duplication!

Please read the answers to your Proposals in Consultation Paper 329 taking the above and conclusions further below in consideration:

B1 – This document is simply a duplication of authority already provided by the customer in the Statement of Advice, Ongoing Adviser Service Agreement and Fee Disclosure Statement

B1Q1 – No – It should be part of a singular consent and acknowledgement document as outlined in the “Summary of Recommendations”

B1Q2 – No

B1Q3 – No

B1Q4 – No

B1Q5 – No

B1Q6 – No

B1Q7 – No

B2 – This document is simply a duplication of authority already provided by the customer in the Statement of Advice, Ongoing Adviser Service Agreement and Fee Disclosure Statement

B2Q1 – No

B2Q2 – No

B2Q3 – No

B2Q4 – No

B2Q5 – No

B3 – No, the plethora of new regulation around Conflicts of Interest, FASEA (Education & Experience), Best Interest, Professionalism, etc mean this matter has been addressed.

B3Q1 – No

B3Q2 – No

B3Q3 – No

B3Q4 – No

B3Q5 – No

B3Q6 – No

Conclusions:

The Financial Planning Industry needed to be lifted to a Profession – excellent, FASEA does that Everyone gouges Financial Planning businesses and advisers so they make a lot of money – truly criminal

The bulk of Australian unable to obtain or afford financial planning advice – truly criminal

Isn't it amazing how no one has sought to make Financial Planning more affordable and accessible. Isn't it amazing how every method of payment available to the customer is under attack. Isn't it amazing Government and Regulatory bodies are not making any effort to encourage Australians to seek financial planning advice when research shows the people that do get good advice (the vast majority) are better off. I wonder why?

Superannuation:

Customers should be able to pay for advice using their Superannuation when the advice relates to retirement planning – both one off advice costs and regular ongoing advice

Customers should be able to pay for comprehensive advice using their Superannuation provided they salary sacrifice some of their income into super. This is an encouragement for people to get holistic financial planning advice with a convenient method of payment. People between 25 and 50 often find paying for advice difficult because they have home loans and children to rear. So making the payment of advice fees convenient is essential.

Customers should be able to pay for advice from any super fund – again, an encouragement for “everyone” to engage in their retirement savings/get advice and have better financial futures.

If the government and regulatory authorities expended as much effort on encouraging advice and making the payment methods convenient (e.g. super/life insurance premium commissions) as

they do on red tape a whole lot more jobs for financial planners would be created. Is that such a bad thing? However, those objectives dont fit with the outcomes the product manufacturers want. So it's unlikely to happen!

Please take the emotion and skepticism contained within this with a pinch of salt. We're feeling like a pin cushions at the moment.

Regards & Best Wishes

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