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20 December 2011

Committee Secretary
Parliamentary Joint Standing Committee
on Corporation and Financial Services
Parliament House
Canberra ACT 2600

Dear Sir

FoFA Reforms

I wish to make a short submission to your committee in relation to the FoFA reforms.

As an owner of a financial planning business employing four planners and four support staff, I am deeply concerned in relation to two elements of the Government's FoFA proposals – opt-in and the lack of a full regulatory impact statement.

Knowing what a big difference we have made in the lives of so many Australian's, I have plans for growth and employing additional people, however, if opt-in proceeds it is likely I will choose not to continue in this line of business... leaving eight people out of work.

Opt-in

I understand that a request was made under FOI for all the documents provided to Minister Shorten in relation to the FoFA reforms.

The documents provided by Treasury were less than complete. They had many pages deleted particularly in relation to the opt-in proposals. The deletions were so extensive that it is impossible to ascertain the professional advice provided by the Treasury to the Minister in relation this and other elements of FoFA.

As the Committee would be aware, opt-in is a highly conscientious issue from a financial planner perspective and the fact that the deletions were so extensive leads me to believe that the Government is being less than fully transparent in the information that it is providing to the Financial planning community.

Recommendation 1

That the Committee seek all the information from Treasury in relation to opt-in and other elements of FoFA as part of its consideration of the reform.

Regulatory Impact Statement

The FoFA reforms are far more extensive than the FSR reforms of the early 2000s. FoFA will have a major impact on the broader community, individual financial planners, their customers and the dealer groups. It is of great concern to me that the government is pressing ahead with these reforms without having undertaken a full regulatory impact statement.

How can the Parliament be aware of the very significant impacts on the community until this regulatory impact statement is completed?

Recommendation 2

That the Joint Standing Committee on Corporations and Financial Services require the Government to undertake a full regulatory impact statement before this legislation is considered by the Parliament.

Should you have any queries, please do not hesitate to contact me

Yours sincerely,

PAUL READER
CERTIFIED FINANCIAL PLANNER™