

Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill

I am writing as a financial planner and small business owner. I understand that the PJC is looking into enshrinement of the term Financial Planner into Law and I simply wanted to let the committee know that my colleagues and I see this as a key outstanding consumer protection measure of FoFA.

I have been a financial planner for over 25 years and our business looks after several hundred families in Brisbane and the Gold Coast. I have come to know my clients and their families well, and I work with my clients to prepare them for their financial future, and manage the ups and downs along the way. I have helped educate my clients on financial matters to instil good financial habits and enable them to make sound decisions throughout their lives, resulting in greater financial independence rather than a reliance on Government assistance particularly in later years.

A lack of restriction on the use of the term financial planner/adviser is, among other things, a significant gap in consumer protection. It leaves trusting consumers open to influence by unprofessional and inappropriately qualified individuals portraying to provide advice, especially unsolicited advice from people with whom consumers may/may not have a relationship with. The term financial planner/adviser is increasingly being used in marketing and promotional material by persons who provide non-traditional ancillary services, such as realtors, stockbrokers, financial counsellors, life insurance agents or brokers, mortgage brokers, property brokers, sales agents of various investment vehicles, and unlicensed advisers, increasing the risk for consumers to be misled.

Australians deserve “truth in labelling” when it comes to the provision of financial planning advice as it has a profound impact on an individual’s and the community’s financial well-being.

It is understood that the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill, which amends the law to restrict who can portray themselves to consumers as a financial planner/adviser, is scheduled to be introduced into Parliament during the Autumn 2013 sitting.

With research showing that 88%^[1] of the industry is in support of this measure, we join in this support and the need for effective financial services regulation that protects consumers.

Yours sincerely,

Peter Kirk

^[1] Investment Trends Pty Ltd, December 2011 Retirement Planner Report, based on responses from 1.027 financial planners, including non-FPA members and FPA members.