



9 July 2021

Committee Secretary  
Economics Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 26000

Dear Committee Secretary,

**Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Bill 2021  
[Provisions]**

The Australian Institute of Superannuation Trustees (AIST) is a not-for-profit organization whose membership consists of the trustee directors and staff of industry, corporate, and public sector superannuation funds.

As the principal advocate and peak representative body for the \$1.5 trillion profit-to-members superannuation sector, AIST play a key role in policy development and is a leading provider of research.

AIST advocates for financial wellbeing in retirement for all Australians regardless of gender, culture, education, or socio-economic background. Through leadership and excellence, AIST supports profit-to-member funds to achieve member-first outcomes and fairness across the retirement system.

**Overview**

AIST welcomes the opportunity to make this submission on the *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Bill 2021 [Provisions]* (the Bill).

The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission) highlighted misconduct in the financial advice industry, noting its evolution from a sales-based industry to a “profession concerned with the provision of financial advice”<sup>1</sup>. Its recommendation to address some of the shortcomings identified in respect of financial advisers’ behaviour was to establish a new disciplinary system, which would require financial advisers to be registered and established a single disciplinary body

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<sup>1</sup> Royal Commission into Misconduct in Banking, Superannuation and Financial Services Industry, *Final Report: Volume 1*, p. 218.



that would hear reports from AFS holders, clients, and other stakeholders about ‘serious compliance concerns’.<sup>2</sup>

The Bill implements the establishment of a single disciplinary body, creates additional penalties and sanctions for financial advisers who breach the obligations under the Corporations Act, and streamlines the oversight regime by transferring the functions of FASEA to the Minister responsible, and assigning ASIC the responsibility to administer an exam for financial advisers.

**Support for *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Bill 2021 [Provisions]*.**

AIST supports the implementation of recommendation 2.10 of the Royal Commission and welcomes the Government’s introduction of the Bill.

The introduction of the new disciplinary body and the registration regime will:

- Enhance oversight
- Contribute to transparency and accountability in the financial advice sector
- Improve behaviour in the sector and minimise harm for users of financial advice

AIST notes the extension to passing the FASEA exam and supports this extension to 30 September 2022. However, AIST opposes any further extension.

AIST recognises the Bill has been referred to the Senate Economics Legislation Committee for inquiry, and it calls on the Committee to support the Bill.

For further information regarding our submission, please contact [REDACTED], Policy and Regulatory Analyst, at [REDACTED].

Yours sincerely,

[REDACTED]

Eva Scheerlinck  
**Chief Executive Officer**

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<sup>2</sup> Royal Commission into Misconduct in Banking, Superannuation and Financial Services Industry, *Final Report: Volume 1*, p. 217.

*The Australian Institute of Superannuation Trustees is a national not-for-profit organisation whose membership consists of the trustee directors and staff of industry, corporate and public-sector funds.*

*As the principal advocate and peak representative body for the \$1.4 trillion profit-to-members superannuation sector, AIST plays a key role in policy development and is a leading provider of research.*

*AIST provides professional training and support for trustees and fund staff to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members. Each year, AIST hosts the Conference of Major Superannuation Funds (CMSF), in addition to numerous other industry conferences and events.*