



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

9 July 2021

Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

*via email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)*

Dear Sir/Madam

**Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Bill 2021**

The Australian Small Business and Family Enterprise Ombudsman welcomes the opportunity to provide comments on the Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Bill 2021. Clarity and simplicity of regulatory frameworks is critical to ensuring time-poor small business owners are able to properly implement regulatory requirements in their businesses.

Small businesses are currently exposed to a large number of regulatory changes in the financial advice industry and the cumulative effect of these changes results in a significant increase in the complexity of compliance. To mitigate the administrative burden on financial advisors we suggest implementing a seamless transition to the two stage registration process.

Specifically, we recommend the information provided during the 'Stage 1 registration' is pre-filled for the 'Stage 2 registration' process to ensure individual financial advisors are not required to duplicate their details. This information should continue to be pre-filled annually and the onus on the financial advisor is to declare the information is correct and up to date.

We note a regulation impact statement (RIS) has not been conducted on this reform as the Financial Services Royal Commission final report has been deemed equivalent to the RIS process. While we agree that a traditional RIS may not be required in this and similar instances, consideration should be given to an 'Implementation Assessment Process' that would not allow for contestation of the implementation of the policy itself, but would allow small businesses and their representatives to provide comment on the practical implementation of reforms that will greatly impact them.

Additionally, we would like to refer to our previous submission to the Financial Sector Reform Bill regarding:

- Minimising unnecessary time and cost burden to the industry;
- Tailoring professional, ethical and educational standards applied to tax (financial) advisors to the financial advisory services while remaining aligned with tax practitioners; and
- Consulting with a variety of stakeholders including industry associations, consumer groups, ASIC and the TPB when setting standards and educational requirements.

Thank you for the opportunity to comment.

Yours sincerely

**The Hon. Bruce Billson**  
Australian Small Business and Family Enterprise Ombudsman

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