

**Answer to question in writing:**

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

**REVIEW OF THE ASIC ANNUAL REPORT (SECOND REPORT) 2019**

**ASIC18QW**

Is ASIC's aim to make financial advice more affordable and accessible for Australian consumers?

(a) If so, how would you rate ASIC's performance in achieving this?

(b) Has ASIC engaged an independent consultant to analyse the impact of additional regulation on the financial advice sector? If so, please provide details of the analysis including the name of the firm that conducted it; the selection/tender process; the outcome of the analysis; and a copy of the report.

**Answer:**

ASIC aims to promote access to affordable, quality advice for Australian consumers. We are working constructively with industry and Government to achieve this. The legislative settings are the responsibility of Government and so ASIC's work is primarily focussed on whether it can assist industry overcome some of the barriers it faces in providing good quality 'limited' and affordable personal advice through actions within its regulatory purview. For example, we are currently exploring matters such as whether further guidance or guidance in a different form would help industry.

ASIC's unmet advice needs project is specifically seeking to address the concern that consumers may find it difficult to access affordable personal advice. Through previous consumer research ASIC has undertaken, we know that consumers want access to 'limited' ('single-issue') and affordable personal advice.

Our first public output for the unmet advice needs project is a consultation paper, which seeks to gather information from industry participants (licensees and individual advisers) to help us understand what impediments/issues exist in relation to them providing limited and affordable personal advice to consumers. Our focus is on what practical steps ASIC or industry could take to promote limited and affordable advice. The consultation paper will be released in Q4 2020.

(a) It is too early to assess the success of ASIC's unmet advice needs project.

(b) ASIC has not engaged an independent consultant to analyse the impact of additional regulation on the financial advice sector. We think that this is research that it would be more appropriate for Government to obtain. However, as part of the Unmet Advice Needs project, we are undertaking research about the true cost of providing advice.