



Senate Economics References Committee

1 February 2016

Senator the Hon Stephen Parry
President of the Senate
Parliament House
Canberra ACT 2600

Dear Mr President

Pursuant to Senate standing order 38(7), I present to you an interim report of the Economics References Committee's inquiry into the scrutiny of financial advice.

On 4 September 2014, the Senate referred an inquiry into the implications of financial advice reforms to the Senate Economics References Committee for inquiry and report by the first sitting day of July 2015. The Senate subsequently extended the reporting date on 2 March 2015 to 1 February 2016. The terms of reference are comprehensive and include the following matters:

The implications of financial advice reforms, with particular reference to:

- (a) the current level of consumer protections;
- (b) the role of, and oversight by, regulatory agencies in preventing the provision of unethical and misleading financial advice;
- (c) whether existing mechanisms are appropriate in any compensation process relating to unethical or misleading financial advice and instances where these mechanisms may have failed;
- (d) mechanisms, including a centralised register, that would ensure financial planners found to have breached any law or professional standards in their employment are transparent, for both the sector and consumers;
- (e) how financial services providers and companies have responded to misconduct in the industry;
- (f) other regulatory or legislative reforms that would prevent misconduct; and
- (g) any related matters.

Conduct of inquiry

The committee advertised the inquiry on its website calling for written submissions. The committee also wrote directly to a range of government departments and agencies, organisations and academics drawing their attention to the inquiry and inviting them to make written submissions. It also invited financial organisation as well as other people known to be interested in the scrutiny of financial advice to contribute to the inquiry.

Submissions

The committee received 151 submissions as well as additional information and answers to a series of written questions. The committee held eight public hearings in Sydney (2) Melbourne (4) and Canberra (2).

Reporting

The committee is preparing a comprehensive report to address the terms of reference. In order to allow committee members sufficient time to consider the draft report, the committee has agreed to present this interim report with the intention of tabling its final report before 31 August 2016.

Yours sincerely

Senator Chris Ketter
Chair