

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 1639 – 1642

Topic: Changes to the Future of Financial Advice laws – RIS

Written: 6 March 2014

Senator WONG asked:

1639. Which stakeholder groups, or research prepared by other parties, did Treasury refer to/consult with in preparation of the Regulatory Impact Statement (RIS)?
1640. The RIS states an implementation saving of \$87.7m and an ongoing saving of \$191.3m, and states that many of the changes will have no material impact on consumers. Given the large amounts of media reports pointing out that the changes will allow conflicted remuneration to be paid to advisers, does Treasury still consider the many of these changes will have little material impact on consumers?
1650. Has Treasury conducted modelling on how much extra revenue will be earned by the industry through the introduction of conflicted remuneration? If not, why not?
1651. How much of the ongoing savings to advisers of \$191.3m does Treasury anticipate will be passed back to consumers?

Answer:

1639. The *Future of Financial Advice Amendments – Options-stage Regulation Impact Statement* was publicly released on 13 January 2014. This enabled all interested stakeholders to provide feedback; this feedback was subsequently incorporated into the *Future of Financial Advice Amendments – Details-stage Regulation Impact Statement*.
1640. The costs and benefits of the Future of Financial Advice amendments for consumers are contained in the *Future of Financial Advice Amendments – Details-stage Regulation Impact Statement* (see pages 22 to 38).
1641. The *Future of Financial Advice Amendments – Details-stage Regulation Impact Statement* assesses the costs and benefits of permitting these revenue streams (see pages 22 to 38).
1642. The *Future of Financial Advice Amendments – Details-stage Regulation Impact Statement* contains information on the passing-on of cost savings to consumers (see page 21).