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Submission on FOFA

I've been retired from the Financial Planning/ Insurance Industry for over four years now however, still keep in contact through colleagues and a general interest in the financial world. Most of my 40 years of working life were in managerial roles with financial organisations and with direct involvement with financial advisers and at times the clients of advisers and the organizations.

Over recent years I have seen positive changes to educational standards and the way financial advice is provided to clients especially with the view of more open and transparent documentation and the disclosure of institution and Adviser fees.

Recently, it has come to my attention that changes are still occurring to a number of areas of the FOFA Bill to be introduced into Parliament in 2014. If we are to gain the trust and confidence of the public and those receiving financial advice there is one particular area I would like to emphasize as a major concern for the improvement of financial advice.....

Financial advice provided by an Adviser on a Fee for Service only basis, with no ongoing commissions from an institution with a vested interest in the recommendation of a product, is vital and must continue to be a major part of these reforms. Fee for service, among other things, encourages advisers to concentrate on their delivery of advice and the quality of such advice. The disclosure of fees also means one must examine their ongoing service levels to clients.(as clients have a clearer picture of what they are receiving for such fees.)

I could elaborate on these points if required however the purpose of this brief communication is to emphasize the importance of this particular part of the FOFA Reforms. I will be following the progress of the overall reforms with continued interest.

Yours sincerely

John Ellis.
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