

Submission

Financial Advice and Investment Regulation Unit
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Treasury Laws Amendment Bill 2025: Delivering better financial outcomes

The National Insurance Brokers Association (NIBA) welcomes the opportunity to provide feedback on the *Treasury Laws Amendment Bill 2025: Delivering better financial outcomes* draft legislation (DBFO). As the peak body for the general insurance broking profession, NIBA recognises the government's commitment to improving the quality of financial advice and reducing regulatory complexity. NIBA has long advocated for measures that streamline disclosure, encourage clear communication, and place the client's best interests at the heart of advice provision.

In that spirit, we express our broad support for the objectives of the DBFO reforms and the intent behind the proposals set out in the accompanying explanatory materials. However, NIBA is concerned that the proposed changes to Statements of Advice are unlikely to achieve the intended policy outcomes as described in the accompanying explanatory materials.

About NIBA

NIBA is the peak representative body for the general intermediated insurance industry. NIBA serves as the collective voice of approximately 450 member firms and 15,000 individual brokers. Our membership encompasses a diverse range of entities, including large multinational insurance brokers, Australian broker networks, as well as small and medium-sized businesses located in cities and regional areas around Australia. NIBA advocates for the interests of general insurance brokers and their clients, ensuring that the general industry operates with integrity and professionalism.

NIBA's work is guided by our core pillars: community, representation, and professionalism. NIBA's mission is to enhance the professional standing of insurance brokers through robust

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advocacy, education, and ethical standards. By fostering a collaborative and innovative environment, NIBA aims to elevate the quality of service provided to consumers, strengthening trust and confidence in the insurance broking profession.

Statements of Advice

As noted in the accompanying Explanatory Materials, the DBFO reforms are intended to support the increased delivery of high-quality, accessible, and affordable financial advice for retail clients through clearer and more streamlined regulatory requirements. However, the proposed reforms, as currently drafted, are unlikely to achieve this objective. In particular, the legislation replacing Statements of Advice (SOA) with Client Advice Records (CAR) is unlikely, in NIBA's view, to substantially reduce the regulatory burden for brokers providing personal advice to Retail Clients.

As highlighted in the table below, the requirements for the proposed CAR mirror those for SOA's. While NIBA notes that small changes have been made to encourage the provision of "clear, concise and effective" advice, on balance, these changes are unlikely to impact the length or complexity of advice documentation as advisers will still feel compelled to cover the same ground, and likely err on providing more rather than fewer details, especially as the legislation expressly provides for the inclusion information, in addition to the information set out in Section 947C. It is this additional information that often adds to the length and complexity of advice documentation.

Table 1: Comparison of requirements for the current Statements of Advice v proposed Client Advice Record

	Statement of Advice	Client Advice Record
Presentation requirements	• The title "Statement of Advice" must be used on the cover of, or at or near the front of the document • The statements and information in the SOA must be worded and presented in a clear, concise and effective manner • The SOA must include as much detail about a matter as a person would reasonably require to make a decision about whether to follow the advice as a retail client	• The words "Client Advice Record" must feature prominently in the CAR. • The contents must be expressed and presented in a manner that, having regard to clarity, conciseness and effectiveness, is fit for the purpose of assisting the client to make an informed decision on whether to act on the advice as a retail client.
Content Requirements	• Statement setting out the advice. • Information about the	• Statement setting out the scope of the advice.

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	basis on which the advice is given • Name and contact details of the providing entity • Information about the remuneration or benefit the service provider or associate may receive that could influence the advice. • Information about any other interests or associations that could influence the advice. • If required, a warning that the advice is based on incomplete or inaccurate information.	• Statement of the advice. • Statement of the reasons for the advice, including how the advice meets the client's objectives, financial situation and needs. • Name and contact details of the providing entity. • Statement of the cost of providing the advice • Information about the remuneration or benefit the service provider or associate may receive that could influence the advice. • Information about any other interests or associates that could influence the advice. • A warning (or record of previously provided warning) that the advice is based on incomplete or inaccurate information
Inclusion of additional content	No prohibition on including other material, such as educational material and statements and disclaimers to manage risk	Express permission to include other information.

NIBA notes that the legislation removes the obligation to include information about the basis on which the advice is given. However, this is largely a semantic shift as the CAR must state " the reasons for the advice, including how the advice meets the client's objectives, financial situation and needs". The implication of this is that brokers, in practice, will have to restate the clients' objectives and circumstances in order to justify their recommendation.

During the initial Quality of Advice Review, NIBA advocated for a fundamental review of disclosure documentation requirements, such as Statements of Advice and Financial Services Guides, with the aim of transitioning from the current prescriptive regime under the Corporations Act to a more flexible, outcomes-based framework.

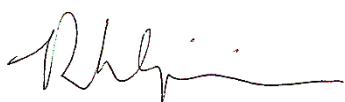
Consistent with this position, NIBA supported the recommendation to remove the mandatory provision of a Statement of Advice and instead require providers of personal advice to retail clients to maintain comprehensive records of the advice given, with written advice to be made available upon request.

While NIBA supports the Government's broader objective of improving access to high-quality, affordable financial advice, we remain concerned that the proposed replacement of Statements of Advice with Client Advice Records will not meaningfully reduce regulatory burden or enhance the client experience.

Without more substantive changes to the underlying obligations and structure of advice documentation, the reforms risk maintaining the status quo under a different name. We urge Treasury to consider a more outcomes-based approach that prioritises clarity, relevance, and genuine utility for clients, while also recognising the practical realities faced by advisers.

NIBA welcomes the opportunity to engage with Treasury to assist in the development of a more effective and proportionate disclosure framework that better serves the interests of consumers and supports professional, client-focused advice. Should you have any queries in relation to this submission or wish to discuss any of the matters raised, please do not hesitate to contact Allyssa Hextell, Head of Policy and Advocacy, at ahextell@niba.com.au.

Yours sincerely,



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