



Association of Financial Advisers Ltd  
ACN: 008 619 921  
ABN: 29 008 619 921  
PO Box Q279  
Queen Victoria Building NSW 1230  
T 02 9267 4003 F 02 9267 5003  
Member Freecall: 1800 656 009  
[www.afa.asn.au](http://www.afa.asn.au)

16 September 2020

Mr Stephen Glenfield  
Chief Executive Officer  
Financial Advisers Standards and Ethics Authority (FASEA)

By email: [consultation@fasea.gov.au](mailto:consultation@fasea.gov.au)

Dear Mr Glenfield,

### **AFA Submission: Relevant Providers Degrees, Qualifications and Courses Standard 2020 Proposed Amendments**

The Association of Financial Advisers Limited (AFA) has served the financial advice industry for over 70 years. Our objective is to achieve *Great Advice for More Australians* and we do this through:

- advocating for appropriate policy settings for financial advice
- enforcing a Code of Ethical Conduct
- investing in consumer-based research
- developing professional development pathways for financial advisers
- connecting key stakeholders within the financial advice community
- educating consumers around the importance of financial advice

The Board of the AFA is elected by the Membership and all Directors are currently practicing financial advisers. This ensures that the policy positions taken by the AFA are framed with practical, workable outcomes in mind, but are also aligned to achieving our vision of having the quality of relationships shared between advisers and their clients understood and valued throughout society. This will play a vital role in helping Australians reach their potential through building, managing and protecting wealth.

#### **AFA's feedback/response**

The AFA supports the changes proposed for the Education Legislative Instrument. We note that many of these changes have already been announced and this exercise is the final formal step in updating the legislative Instrument. We also note that this update includes the formal step to add the recognition of the AFA's older (Mentor) version of our professional designations (Fellow Charter Financial Practitioner and Charter Life Practitioner). We note, however, that the timeframes for these professional designations, as set out on page 3 of the draft legislative Instrument, and repeated below, differ from the timeframes set out in the attached updated FASEA approval notification that we received in February 2020, which referred to when the courses were commenced, rather than completed.

(g) completed, during or after 2009 and before December 2013, the Fellow Chartered Financial Practitioner (offered by Mentor Education) (FChFP -ME) offered by the Association of Financial Advisers Ltd; or

(h) completed, during or after 2009 and before December 2013, the Chartered Life Practitioner (offered by Mentor Education) (ChLP-ME) offered by the Association of Financial Advisers Ltd; or

Since some of the students didn't finish the Mentor version of the programs until much later than December 2013 (some as late as 2016), the way it is worded in the draft Legislative Instrument will create an unnecessary complication. We would not like to see the later graduates of the Mentor program potentially disadvantaged by the way this approval is worded. We are happy to work with FASEA to achieve a satisfactory outcome with the way this is defined.

### **Relevant Degree and Relevant Post Graduate Degree**

The key change in this consultation exercise is the addition of the option of a relevant degree and relevant post graduate degree. We will focus our further feedback on this change. We support this amendment, which we believe will provide additional recognition for people who have done a significant amount of tertiary study.

We note the definition of Post Graduate Relevant Degree in Clause 5 - Definitions:

*post-graduate relevant degree means a qualification that:*

- (a) is awarded by a higher education provider; and*
- (b) is a graduate diploma or Masters degree; and*
- (c) satisfies the AQF criteria for AQF level 8 or higher; and*
- (d) includes at least 8 units of study in designated areas of study.*

We also note that the definition of a designated area of study in Clause 5 - Definitions:

*designated area of study means each of the following:*

- (a) financial planning (including financial advice in the areas of superannuation, retirement, insurance or estate planning);*
- (b) investments (for example, shares, derivatives, foreign exchange, options);*
- (c) finance;*
- (d) finance law;*
- (e) business law or commercial law (if the relevant course is approved by the Tax Practitioners Board);*
- (f) taxation and tax law (if the relevant course is approved by the Tax Practitioners Board);*
- (g) accounting;*
- (h) estate law;*
- (i) banking;*
- (j) economics.*

An eligible post graduate course can be either a Graduate Diploma or a Masters Degree and the course must include at least 8 units of study in designated areas of study. In the context that a Graduate Diploma is typically only eight units of study, we question whether the requirement to have completed 8 units of study in designated areas of study might be too demanding. Unlike a non-relevant degree, that could include the option of between 4 and 7 subjects from designated areas of study, there is no intermediate outcome for postgraduate degrees, and someone who has a relevant degree and a relevant post graduate degree with only 7 units of study in designated areas of study in the post graduate degree, will get no benefit.

A Masters Degree is typically 12 units of study, however, often students who have an undergraduate degree in the same area, will get up to 4 units as exemptions. This would mean that they are undertaking as few as 8 units of study, and each of them would need to be in designated areas of study, for the course to qualify for the additional credits. We therefore ask the question that where a student has been given exemptions from a post graduate degree,

on the basis of previous study, do these exemptions count towards FASEA's assessment of the program, and achievement of the requirements for a relevant post graduate degree?

It is also likely that post graduate degrees include subjects that would not be classified as designated areas of study. In a business related Masters Degree, it might include study in marketing, IT systems management, organisational design or human resources, each of which would not count as a designated area of study.

We think that it would be a useful exercise to assess whether some of the more common post graduate masters level degrees like a Masters of Business Administration would qualify as a relevant post graduate degree. We assume that this work has been done, however it is not evident in the documents that have been released.

We recommend that this relevant degree and relevant post graduate degree option be modified, so that it would only require at least 5 or 6 units of study in designated areas of study.

We would also like to ask the question as to whether there is merit in the option of a non-relevant degree and a relevant post graduate degree or a non-relevant degree with 4 - 7 units in a designated area of study and a relevant post graduate degree? Whilst we note that the units in the post graduate degree, that are classified as designated areas of study, can count towards the determination of a relevant degree, allowing them to count towards a relevant post graduate degree may be a more accurate way of assessing the study.

### Concluding Remarks

The AFA supports the formalisation of previously announced approved courses and the addition of a relevant degree and relevant post graduate degree option, however we ask that FASEA review the definition of the Mentor versions of our professional designations and consider reducing the number of units of study in designated areas of study required for a relevant post graduate degree from 8 to either 5 or 6, and also address the issue of the recognition of subjects that have been granted as exemptions towards a post graduate degree.

The AFA welcomes further consultation with FASEA, should it require clarification of any points raised in this submission. If required, please contact us on (02) 9267 4003.

Yours faithfully,

**Phil Anderson**  
General Manager Policy and Professionalism  
Association of Financial Advisers Ltd