

[REDACTED]

13 September 2022

Retirement, Advice and Investment Division
Treasury
Langton Cres
Parkes ACT 2600

Submission to Treasury on Financial Adviser Professional Standards

Dear Sir/Madam

I have been an adviser for over 25 years and CFP since 1999. I am a director and a financial adviser at Integrity Private Wealth. I am university degree qualified with a degree in Business and Economics. In addition, I have completed two graduate diplomas. The two diplomas I have completed are the Diploma of Financial Planning and the Diploma of Applied Finance.

One of the foundations of any profession is the level of education required to practice in the profession. I have been a very strong advocate, for many years, that the level of education required be increased to promote our profession. When the education standards were proposed in 2017 I thought that it was an excellent step in the right direction to further promote our profession and clean up our industry. I was however disappointed to see that advisers that were already university educated and had completed further study (such as diplomas and hours and hours of CPD) were required to complete further study and also had to sit the FASEA adviser exam. I did write a submission about this at the time but it seemed to go nowhere. I did what was asked and sat the adviser exam (passing on my first attempt) but have not yet completed the ethics unit that is currently still required.

What has greatly disappointed me over the last couple of years is the continued watering down of what is required to continue in the industry as an adviser. The extension of the adviser exam should not have occurred. We were all provided more than sufficient time to get this exam completed yet vested interest groups have continually lobbied (and won) to get this extended. How is this professional? The whole point of the exam was to weed out those that should not be in the industry. Continually extending the timeframe does not provide the public the necessary confidence to know that advisers who have failed the exam on multiple occasions continually get more chances to pass. Where does this happen in any other profession or part of life?

The proposed experience pathway is another example of watering down that should not occur. Those of us that have worked in financial services for many years and who have worked at various organisations have seen the need to increase the education standards dramatically. Just because you have been in a position for a certain length of time does not replace the need to have a certain level of education.

When the standards were announced there was a great deal of lobbying and submissions about providing exemptions for levels of experience but no exemptions were granted. What then occurred was that diligent and professional advisers, that did not have the required levels of education, got on the front foot and went out and started or completed the education units required. I would suggest most of these advisers would have qualified under the proposed experience pathway. If this proposal is adopted how should they feel?? The financial and time cost they have incurred is significant. And as usual it would be those advisers that sat back and didn't do anything that would benefit from the experience proposal and that is just wrong.

While I was very supportive of the additional education requirements for advisers what was not addressed in the original process (and still has not been addressed) was the level of education that many advisers already had. Those advisers that had education far in excess of what was deemed acceptable should have been exempt from any need to do further study or even the exam.

If we are going to go down this path of continually watering down education requirements then I propose that advisers such as myself (who have education far in excess of what is required) be exempt from completing the additional ethics unit. That would only be a fair and just outcome.

How is it fair or even reasonable to have someone that may have only completed a high school education and has just 10 years' experience as an adviser only has to complete the exam and the ethics unit and they are considered to be at the same education standard as someone such as myself.

When is it going to be recognised that highly educated advisers have already done far in excess of what is required and are exempted from completing the ethics unit? I am 53 years old and have spent a huge amount of my life studying. As a CFP I have also been required to complete 40 CPD each and every year for the past 23 years.

It is time to reward those for what they have already completed and who have far exceeded what is required instead of constantly pandering to those that have frankly done very little in comparison.

Yours sincerely

██████████