

The proposed changes to educational standards for existing advisers and new entrants is totally wrong-headed.

The financial planning "industry" was notorious for product-pushing "salesmen" and had a deservedly poor reputation due to unprofessional, conflicted, and frankly self-interested behaviour by some individual planners and some large "groups" focussed more on maximizing productivity and profit rather ethically and competently providing a service to clients.

The ethics requirements, and FASEA exam (to require those requirements are actually understood/known by advisers) at least ensures current registered financial advisers should know what is expected of them ethically. Rather than legislative "red tape" and administrative burden to record/prove that all advisers have done the "right thing" the proposal for requiring "good advice" rather than bloated SoAs is a step in the right direction.

But the proposed changes to educational requirements for existing advisers and new entrants is a retrograde step in moving the financial planning "industry" towards becoming a "profession".

Why is an "experience pathway" for existing advisers necessary? The argument is basically "existing advisers with a clean record and ten years experience should already have sufficient knowledge". True, they *should*. But what if they don't? Quite a few financial advisers have spend ten or more years basically just pushing insurance policies or particular products at everyone with a pulse. They may have little knowledge of how to be a financial planning "professional". Would a doctor's or lawyer's office secretary who has been working there for ten years be deemed to have the "experience" to have the knowledge required to become a doctor or lawyer? The real driver for existing advisers to want to have an "experience pathway" is that they know they actually don't have the knowledge (or perhaps mental capacity) to pass the currently available "challenge" subjects to gain the minimum educational requirements (a graduate certificate in financial planning). Are they REALLY the sort of "sales person" with a decade of "experience" pushing product that should be deemed a professional financial ADVISER in years to come? And, for a thirty-something year old "existing adviser" who has been flogging insurance policies to everyone with a pulse for the past decade, the proposed "experience pathway" could mean that they can learn nothing about financial planning and yet remain a registered financial adviser for another three decades or more! If there is another way to hobble the move towards having a financial advice "profession" in Australia, I can't think of it!

AND, any existing financial planner with ten years experience and who knows the content of what they would learn doing the current minimum educational requirements can ALREADY get the relevant university qualification via an "experience pathway" - for example, if you enrol in the Graduate Certificate, Graduate Diploma, or Master of Financial Planning degree at Western Sydney University you can apply for a "challenge" enrolment into a large number of the subjects and pay a much-reduced fee, avoid classes or assignments, and simply sit an invigilated examination to confirm that you do indeed know the content that you are claiming your experience has provided you with.

Surely any existing adviser that has been gaining APPROPRIATE knowledge and experience working as a full-time adviser for ten years or more should be able to pass such a subject exam to verify that they actually do know the relevant material? If not, then they should do the full course and actually learn the content!

And, as for "new entrants" moving from 12 subjects and a central list of "approved course" to 5 subjects that a university can "self-evaluate" a course has covered is a recipe for mickey-mouse "certificate" courses that will be the equivalent of the old "diploma of financial planning" course that was previously the entry-level requirement, and could basically be done in a few months part-time, or a fortnight-long "short course", and provided no basis to be a "professional" financial adviser.

Anyhow, as a person with 40 years professional experience as an experimental scientist and business professional, with a degree in applied science, two post-graduate diplomas and a masters degree in astrophysics I was quite happy to do a 'graduate diploma in financial planning' to get registered as a financial adviser back in 2018 (before the new requirements came into effect). But I new very little after that "short course", and was quite happy with the new educational requirements. In fact, rather than just complete the minimum "graduate certificate" (4 subjects) or "graduate diploma" (8 subjects) qualification I did the full 12-subject "Master of Financial Planning" degree to ensure I have sufficient knowledge to be truly a "professional" financial adviser".

Slashing educational requirements is a very bad proposal.

If the driving force is a lack of new entrants, the correct answer is the proposed changes to remove the need for written SoAs that have to "tick all the boxes" to show (but not ensure) appropriate (good and unconflicted) advice has been provided. Not to slash the educational requirements so that anyone can do a "short course" that has been "self-accredited" by an educational provider, and then be let loose on the unsuspecting public.

A doctor or a lawyer can consult with a client for less than an hour, and provide "professional advice" via a script and a short paragraph or an email -- their professionalism is via having completed appropriate education, not via having worked "in the industry" for a decade, or having to fill out a 50-page "statement of advice" to attempt to show that they have provided appropriate advice.

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