

We write to you in connection with the New Entrant Requirements as stipulated in the Consulting Paper on Financial Advisor Education Standards.

Notwithstanding the fact that, the new core knowledge areas limited to 5 as listed on page 15 of the document would go some way to streamline the knowledge requirements of the new entrants, who intend to pursue financial advisory profession, there are still some concerns that, many financial professionals with relevant knowledge, experience and skillset could still miss out even in the new amendments.

Please note that, not all undergraduate economics degrees, Business Administration and Post Graduate Business Administration degrees would cover all the five core areas. Some of these students are still struggling to pay off their HECS debts, let alone fancy the idea of enrolling for more and more subjects to be qualified as the new entrants. In the meantime, the country will be experiencing acute shortage of qualified advisors.

Rest assured, some of these professionals are adequately skilled in finance management, international finance management, financial institutions, CFO roles, Company Directors, Company laws Micro/Macroeconomics context to pursue a successful career in superannuation investment, fund management and stock advisory/brokering services businesses. The areas, where these professionals would struggle to find some good matches with the core areas are Law and Taxation.

Therefore, it is imperative that, these professionals must complete a bridging course on taxation, commercial law, and financial advice regulatory and legal obligations in the event their current qualification doesn't include sufficient knowledge in legal and regulatory obligations as expected of the advisors.

In like vein, Ethics and professionalism and Behaviour finance and client engagement are some specific knowledge areas may not be readily available in most of the economics and MBA degrees. However, these knowledge areas may have been covered to some extent through something similar such as Marketing Management, Value Chain Management, Negotiation Ethics and Company Laws etc. Further, relevant on the job experience and clientele management should be sufficient to demonstrate the working knowledge in the suggested optional areas. Finally, New Entrants would undertake the Code and Ethics Examination on the pathway to become a fully qualified advisor in due course.

So, based on experiences of several finance professionals and their challenges to become new entrants in financial advisory through cost effective means, we propose the following amendments for your due consideration :

1)

Include Bachelor of Economics, Economics with Applied Finance, Bachelor of Business or Commerce and Master of Business Administration from Australian Universities as the approved qualifications for the New Entrants

2)

Amend Core Knowledge Areas limited to 3 with the following :

- Taxation Law
- Commercial Law
- Financial Advice Regulatory and Legal Obligations

These core knowledge areas should be part of the bridging course to support practicing new entrants

3)

Optional Knowledge areas include the following :

- Ethics and Professionalism
- Behavioural Financial and Client Engagement

The optional knowledge areas could match against equivalent subjects offered in Economics, Finance and MBA degree. In the event, no equivalent subjects are not found, the professional experience of the new entrants must be considered. In essence, new entrants might get subject waiver for the Optional Knowledge areas based on certain criteria of equivalent subjects in their undergraduate or post graduate and/or relevant professional experience.

Of course, optional areas are also offered through a bridging course.

Finally, New Entrants pass the exam on Code and Ethics within three years of becoming a financial advisor, which will beyond doubt establish the eligibility criteria moving forward.

4)

Recognise SMSF Specialist Course and related CPD points offered by the SMSF Association for general Advice offered by the practicing new entrants with appropriate qualification

<https://www.smsfassociation.com/>

5)

Recognise RG146 Superannuation Course and related CPD points offered by The Association of Superannuation Funds of Australia Limited.

<https://www.superannuation.asn.au/>