



Financial adviser education standards

Information about the Tertiary Education Quality and Standards Agency (TEQSA) and how it may contribute to this submission

The Tertiary Education Quality and Standards Agency (TEQSA) commends Treasury's engagement with the sector through this consultation and we welcome the opportunity to share our contribution to the discussion questions.

TEQSA is the national regulator of higher education in Australia. TEQSA was established under the [Tertiary Education Quality and Standards Agency Act 2011](#) (the TEQSA Act). From this Act, the key objects for TEQSA are to protect the interests of students and the reputation and integrity of the Australian higher education system.

TEQSA regulates the higher education sector's compliance with the [Higher Education Standards Framework 2021](#) (HES Framework). This applies to all domestic and international students studying for an Australian higher education award. Relevant to this consultation paper, under the HES Framework registered higher education providers are required to:

- provide methods of assessment consistent with the learning outcomes being assessed (1.4.3)
- where professional accreditation of a course of study is required for graduates to be eligible to practise, the course of study is, and continues to be, accredited by the relevant professional body (3.1.5).

Considering the HES Framework, TEQSA provides its response to discussion questions put forward by the Treasury about financial adviser education standards.

TEQSA's responses to discussion questions

- **Would proposed changes to core knowledge areas necessitate changes to the exam content? Why/why not?**

TEQSA considers that the exam should reflect the core knowledge areas. Standard 1.4.3 of the HES Framework requires that methods of assessment are consistent with the learning outcomes being assessed. Therefore, if the core knowledge areas are streamlined to five areas, it would be prudent that the exam is updated accordingly.

- **Is it practical and appropriate to allow education providers to self-declare that their degrees teach the core knowledge areas? Why/why not?**

TEQSA considers that there is not enough information within the consultation paper to determine whether the model proposed by Treasury for providers to self-declare that their degrees teach the core knowledge areas would be appropriate or not.



It is unclear whether the self-declaration would meet Standard 3.1.5 of the HES Framework. It requires, where professional accreditation of a course of study is required for graduates to be eligible to practice, that the course of study is accredited and continues to be accredited by the relevant professional body.

TEQSA is concerned that if providers do not accurately self-declare that their degrees teach the core knowledge areas, students may be disadvantaged and may be unable to complete the final exam. This may then affect students' eligibility to practice as a financial planner or advisor. It is believed that an inaccurate self-declaration would only come to light once a cohort of students have finalised their degree and be intending to enter the profession. It is unclear how Treasury proposes to safeguard against this situation and what rectification would be put in place to ensure students are not disadvantaged.

Furthermore, it is unclear what responsibilities TEQSA would have under this proposal. Without full knowledge of this proposal, TEQSA is concerned that additional pressures to work with providers to rectify these issues may be an unanticipated outcome. If additional work by TEQSA were required, TEQSA is willing to have further discussions with Treasury about it.

TEQSA considers that a self-declaration model in higher education poses challenges for assurance and regulation. This is because in higher education, courses of study engage with advanced knowledge and inquiry informed by emerging concepts that are informed by recent scholarship, current research findings and advances in professional practice. It is unclear whether new self-declarations would need to be undertaken every time units are updated to incorporate advances in knowledge or whether self-declarations would become outdated.

- **What form should education providers' assurance to Government take?**

TEQSA too has a version of self-declaration, known as self-accrediting authority. This is a more dynamic model focussing on self-assurance.

Through TEQSA's regulatory model, providers are only awarded self-accrediting authority when they can demonstrate they have consistently maintained compliance with the HES Framework and have a minimum five-year track record of successful and high-quality course applications. Further, upon application, these providers cannot have any compliance matters or conditions that are outstanding or unresolved with either TEQSA or a recognised registration or accreditation authority. Providers are required to demonstrate they have systematic, mature and advanced processes for the design, delivery, accreditation, monitoring, quality assurance, review and improvement of courses of study and maintenance of academic integrity.

TEQSA considers the proposed self-declaration model is not suitable for providers who cannot maintain compliance with the requirements for a Financial Planning and Advisory course. However, there could be an authority awarded for providers that have proven themselves to be consistently compliant.

Alternatively, Treasury may want to consider adopting the approach taken in the United States (US). Rather than conducting accreditations, the US Department of Education is responsible for recognising national and regional accreditation agencies. Therefore, the Department determines which private associations are constituted to carry out accreditation of institutions and programs (Salto, 2021).



[Full article: Beyond national regulation in higher education? Revisiting regulation and understanding organisational responses to foreign accreditation of management education programmes \(tandfonline.com\)](https://tandfonline.com)

- **If self-declaration is not appropriate, what alternatives could be adopted to streamline the degree approval process?**

Treasury may want to consider authorising a certain number of providers to have self-declaration/accrediting authority, who have demonstrated they have mature and advanced processes for quality assurance and enduring compliance with the requisite requirements. Treasury could take an accreditation model approach for the remaining providers, as TEQSA does for course accreditation and reaccreditation.

Alternatively, Treasury could adopt an external verification model, whereby a higher education provider with self-accrediting authority could undertake an assessment of the non-self-accrediting provider's course and verify whether it meets the requirements.

Treasury may seek to further involve TEQSA in regulating the degree approval process. In these circumstances, TEQSA would seek further discussions about this and whether TEQSA could adjust its existing approaches and self-accrediting authority regime to accommodate the work.

Overall, there would be greater student and consumer protections if providers who do not have a positive track record of maintaining required standards have greater checks and balances in delivering financial planning and advisory courses.

- **Is it practical and appropriate for education providers or licensees to evaluate a new entrants' completed tertiary courses against the new core knowledge areas to assess whether they have met the education standard or what additional study may be required? Why/why not?**
- **What oversight of education providers or licensees making this assessment, if any, is necessary?**

TEQSA considers that there may be a potential conflict of interest in a situation where an education provider is assessing whether a new entrant has met the education standard or what additional study may be required.

In a competitive market there may be a scenario where there is a progressive deterioration of standards to compete for students, by offering a higher amount of recognition of prior learning (RPL). Alternatively, in a concentrated market, where one provider may have the monopoly for financial planning and advisory courses for a certain region, they may award less RPL, thus making a student undertake more units with them. TEQSA does not specify an approach to recognition of prior learning (RPL), therefore cannot offer safeguards against this situation.



- **Is it practical and appropriate for education providers or licensees to also evaluate foreign qualifications against the new core knowledge areas and assess what additional study may be required, rather than the Minister? Why/why not?**

It is typical for higher education providers to make their own assessments of a student's foreign qualification prior to admission to ensure they have the required academic preparation and proficiency. Some providers undertake this assessment 'in-house', while others engage a third-party service that determines the equivalency of the foreign qualification.

However, it is not common for higher education providers to make an assessment that a student has met all the requirements against the core knowledge areas. As stated above, there may be a conflict of interest in an education provider deciding whether a student requires further study. Typically, this is a function that would be retained by a recognised body with responsibility and competency in financial planning and advisory. For example, the Australian Health Practitioner Regulation Agency (AHPRA) requires health practitioners with overseas qualifications apply to the relevant National Board for registration. AHPRA stipulates that qualified applicants must meet the registration standards of their health profession, meet the English language skills registration standard and a criminal history registration standard. Where the foreign qualification does not meet the above, the Board may advise that further study is required. The applicant can then find and nominate a potential course that covers the required learning areas for regulatory approval (see: [Australian Health Practitioner Regulation Agency - Overseas qualified practitioners \(ahpra.gov.au\)](http://ahpra.gov.au)).

- **Should new entrants whose existing qualifications don't fully meet the education standard be able to 'top-up' their qualification by completing individual units, rather than a full qualification? Why/why not?**

It may be prudent to allow easier access to the profession for students with existing qualifications and allow new entrants to complete individual units rather than enrol in a full qualification. However, TEQSA does not accredit single units or micro-credentials. All providers take a different approach to single units/micro-credentials, as there are no legislative requirements surrounding these at present.

It is unclear how Treasury would ensure regulation of these top-up units to ensure students are receiving the required further knowledge. As stated above, this situation could also present a conflict of interest for education providers who may want a student to enrol in more or less units than is deemed necessary.