

To Whom It May Concern / Stephen Jones MP:

RE: Experienced pathway for Financial Advisers – Draft Legislation

[REDACTED]

As a Financial Adviser and working Director, I appreciate the time and efforts the government has taken to compile and draft this draft legislation.

A little about my professional and educational background for some context.

I have been working in Financial Services – Banking and Finance since 2007, and as an Adviser/AR since 2013. My financial planning practice [REDACTED]

My educational background is as follows:

- Bachelor of Business degree (non-FP related)
- Diploma of Financial Services – Financial Planning (RG146)
- Diploma of Business
- FASEA Exam
- SMSF accreditation
- Completed more than the minimum CPD required annually, since 2013
- Have only the final exam to pass the final CFP module to become a Certified Financial Planner (hence completed 4 out of 5 CFP modules of the FPA CFP Program).

This is in total, approximately 8 years of full time study. This does not include the further study I am going to undertake to complete the Ethics course I will complete by end of this year.

However based on your Draft Legislation, someone with my educational background and work experience as a Financial Adviser/ Planner and Director of an FP Practice, perfect compliance records, accounts for absolutely nothing towards my industry/role, when comparing to the proposed legislation.

Based on the Draft Legislation, I have been advised I still need to complete 7 units.

This is astonishing to me. That says there is not one bit of recognition for any of my years work experience nor studies at all based on this Draft Legislation; And we are talking 8 consecutive work experience years and counting and according to the Draft Legislation and with all my previous studies, account for zero. Something really needs to be reviewed and re-considered here.

Hence, as there would be many other advisers in my position, I would like for the Government on behalf of many professional advisers out there with perfect compliance records also, to re-think - either the 2007 – 2021 dates, and / or somehow factor in some of us who have unblemished records as advisers, who have previous qualifications, and have almost the 10 years experience cumulatively as Financial Advisers.

Who is to say a 'new entrant adviser' with an FP degree fresh out of university, no experience or 1 years, has more expertise and is more ready (so to speak) to advise everyday Australians more appropriately than:

- a Financial Adviser who has been a professional Adviser for 8 years and counting
- runs their own FP practice
- has all the above qualifications including a – Bachelor of Business degree, Dip of FP, Dip of Business,
- completed 4 out of 5 CFP modules
- in total completed at least 8 years study
- completed 40 plus CPD points based for his FP role for last 10 years
- SMSF certified
- Aged care certified
- Passed the FP Industry required FASEA exam
- seen FOFA reforms and many other industry legislative changes,
- adjusted to the current FP and Investment economic environment, and compliance standards,
- and a clean advice record?

The short answer is – it does not.

Not to mention I am a family man, 41 years old, two children under 5, trying to run a successful FP practice, then be expected to find time to complete 7 units (subjects) to continue working in my professional as a Financial Adviser (something I love doing by the way).

Further on the window of years of experience (Jan 2007 to Dec 2021), why are the last 18 months not factored in? They include in my opinion, some of the most volatile times as an adviser (COVID, War in Ukraine, rising interest rates, volatile stock markets). There has never been a higher need for advice from experienced, qualified and educated financial advisers.

I strongly believe it is to the detriment of the Australian consumer, that based on the above circumstances, even 21 year old fresh out of university will be allowed to advise Australians which is fine for them though how is it fair then a professional like myself or in a similar position of similar work and education background, won't be able to provide advice unless an additional 7 units are completed – on top of the existing education and experience I have?

Further to this, adviser numbers have significantly reduced. From a recent report, they expect adviser numbers to drop to 10,000, from the 26,000 high we had a few years ago. The draft legislation you have published will further impact these numbers, as some planners, like myself, will be squeezed out of the industry and replaced by 21 year olds with zero experience.

Again as it stands, based on latest Draft Legislation, then this means I am in the same position as a 17-18 year old, just completed their VCE, and about to embark on the journey on becoming an FP and undertake their FP studies - Now this is not right nor fair, reasonable and nor logical.

So please reconsider elements to the legislation.

Some suggestions:

- Allow applications for existing advisers like myself with extensive work experience and educational backgrounds to seek one-off approval based on previous educational history, qualifications and work experience. In some instances, maybe allow for special circumstances/ case by case.

- the dates for cumulative experience, and time frame - who says 10 years cumulatively.

What about someone like me who just fall short of this 10 years whom have 7, 8 or 9 years cumulatively?

- and/or include upto current date 04/2023 (why are we discounting the last tough 18months in this FP industry?)

- Even a working director running his/her own FP practice should equate for some of the criterion.

- why discount anyone with FP Diploma or Adv. FP Diploama. That should provide further exemptions for any outstanding units at least.

- Don't discount CFP modules. 1 CFP module is the equivalent to 1-2 university subjects I believe. You shouldn't need to completed the CFP to obtain some education recognition.

- Make another category for any FP with a - non-related degree, and / or only FP dip/adv dip, but has 5-10 years work experience, clean record, must complete upto 2-4 subjects (identify a specific type of unit like you have with the Ethics course).

Are just a few suggestions for you.

I hope the Government takes time and reconsiders its Draft Legislation and all the subsequent Submissions forthcoming.

Finally I emailed Stephen on 9/6/22 as a reference to this, and I am happy to take a call by yourself or some one from your department if you would like to discuss further.

Yours truly,

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