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## FINSIA CALLS FOR RECOGNITION OF EXPERIENCE AND PREVIOUS QUALIFICATIONS FOR FINANCIAL ADVISERS IN EDUCATION REVIEW

- **FINSIA calls on FASEA to give more clarity and certainty to advisers who have completed postgraduate programs in applied finance and investment.**
- **FINSIA survey results show that over half the country's financial advisers may leave the industry due to FASEA's proposed education pathway requirements.**

**17 July 2018**, A survey by FINSIA, the Financial Services Institute of Australasia, reveals that more than half the country's financial advisers may leave the industry if a proposed education pathway fails acknowledge those who have completed postgraduate qualifications in applied finance and investment.

In the recent survey of members, almost a fifth of respondents said they intended to walk away from their advice businesses rather than complete additional university courses recommended by the Financial Adviser Standards and Ethics Authority (FASEA) in its education pathways for financial advisers.

Many of FINSIA's members who have completed postgraduate qualifications with the organisation's predecessor, the Securities Institute of Australia (SIA), are confused about the status of their qualifications under the FASEA framework.

FINSIA managing director and CEO Chris Whitehead is urging FASEA to recognise previous experience and qualifications.

"FINSIA consistently has given support to the principle that new financial advisers should be able to demonstrate their knowledge at a high level and that completing a bachelor degree (AQF7) is suitable for this purpose. Existing advisers, however, should be given greater clarity and certainty about how their prior education and training will be recognised under the framework," said Mr Whitehead.

"Through the SIA, FINSIA has a proud history of developing the first applied finance qualification in the Australian market, taught by industry practitioners of the highest reputation and standing. FINSIA would like to see these programs acknowledged in the FASEA framework" added Mr Whitehead.

"FINSIA has already confirmed in our submission to the Financial Services Royal Commission that increased professionalism of the financial services industry is critical to rebuild consumer trust. Having a recognised educational pathway and relevant professional qualifications for all practitioners is clearly a key element of this process."

"However, certainty and clarity in how prior qualifications and experience will be recognised is essential to retain talented advisers with long-established, trusted relationships with clients. The right balance must be found to achieve this," concluded Mr Whitehead.

## **FINSIA Submission Key Recommendations:**

- That FASEA review the accreditation of the SIA Graduate Diploma of Applied Finance and Investment and Master of Applied Finance and Investment in recognition of their status as leading postgraduate qualifications, developed by the industry to enhance its professionalism.
- That FASEA consult with industry on a framework for recognition of prior learning (RPL) to ensure consistency of approach and give advisers certainty. This framework should give avenues to recognise professional experience and postgraduate studies in applied finance and investment.
- That FASEA's expectation that RPL will recognise professional designations and educational qualifications be more clearly communicated to the adviser community to ease uncertainty.
- That FASEA develops communication initiatives to inform consumers about the new standards and what they should expect from qualified advisers.
- That the teaching mode of programs (internal or external) is indicated on the approved degree list, and that the approved degree list allows for accessibility of programs for students in regional areas.
- That FASEA consult with industry and accredited education providers on the form and proposed syllabus of the AQF 8 ethics program.

## **FINSIA Survey Key Findings:**

- Overall, 18.6% of FINSIA advisers indicate that they intend to exit the advice industry when the new education requirements take effect on 1 January 2024, with a further 34.7% of respondents unsure.
- Advisers with 21 or more years of experience (62.5% of survey respondents) are more likely to indicate their intention to leave the advice industry, with 26.3% responding that they will do so when the proposed education requirements come into force.
- This was found to be a particular issue for advisers with 21 or more years of practice experience who typically completed academic qualifications through the SIA in 1998 or earlier.
- Advisers with professional qualifications such as the SIA graduate qualifications in applied finance and investment, and financial planning, or Certified Financial Planner (CFP) expressed low levels of confidence that their training, and years of professional experience, will be recognised by the proposed education pathways.

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### **FINSIA. The professional excellence pathway.**

FINSIA — the Financial Services Institute of Australasia, is the professional membership body in Australia and New Zealand for the financial services industry.

FINSIA has a heritage of over 130 years of connecting members with industry-leading insights and influential networks, we help members to build their capabilities and advance their careers. While strengthening the professional standing of its members, FINSIA is working to deepen consumer trust by raising standards of professionalism across the industry to deliver better outcomes for the community.