



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

16 September 2022

Ms Melissa Bray  
Assistant Secretary  
Advice and Investment Branch  
The Treasury  
Langton Crescent  
PARKES ACT 2600

*via email: FinancialAdvice@treasury.gov.au*

Dear Ms Bray

### **Financial Adviser Education Standards Consultation**

We welcome the opportunity to comment on the Financial Adviser Education Standards consultation, and support education standards that ensure consumers receive affordable, professional advice. We acknowledge the transformation of the advice sector has highlighted the challenge of appropriately recognising advisers long term experience and commitment to compliance obligations in lieu of tertiary education.

Key stakeholders have identified that many advisers have met, or are in the process of meeting the existing prescribed education standards. A dilution of the education requirements risks disproportionately disadvantaging exemplar advisors and impacting the quality of services provided by the sector. To best mitigate this risk and manage further transition for the sector, we provide the following comments.

- 1. In line with industry associations, we recommend that exemptions from professional adviser education requirements only be granted to advisers with at least 10 years' experience, a clean compliance record, and completion of both the Adviser Exam and Ethics course.** Consideration should be given to including additional conditions such as the adviser maintaining a clean compliance record, completion of additional Continued Professional Development (CPD) and a sunset clause.

An adviser's 'clean' compliance record should be certified via a statutory declaration and assessed against the Financial Advisers Code of Ethics to determine that the adviser's past performance is aligned with professional standards.

- 2. Professional year requirements should be rightsized, flexible and proportionate for individual advisers so that they receive appropriate mentoring, monitoring, and support to attain professional recognition.** To ensure the sector continues to develop high quality, professional and productive advisers, professional year requirements need to be tailored based on the professional experience of individual advisers. For example, a qualified accountant with significant employment experience should have differing professional year requirements than a recent graduate with limited employment history. Consideration should be given as to the provision of necessary government financial and educational support to assist small businesses to train new advisers.

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**3. Consideration should be given to ensuring that the professional associations are provided with the necessary support and resources to assess, approve, and monitor qualifications and education standards.** Stakeholders require confidence that advice professionals have high quality, fit for purpose, education programs that are flexible and enhance the appeal of the profession.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr David Meakin on 02 5114 6106 or at [david.meakin@asbfeo.gov.au](mailto:david.meakin@asbfeo.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bruce Billson', written in a cursive style.

**The Hon. Bruce Billson**  
Australian Small Business and Family Enterprise Ombudsman