



FINANCIAL  
SERVICES  
INSTITUTE  
*of Australasia*

## FINSIA LEADING THE WAY ON ADVISER EDUCATION STANDARDS

Finsia, Australasia's peak financial services body, said the industry has an opportunity to set a global benchmark for the professional standards of financial advisers.

Finsia's submission to Treasury's latest consultation calls for the introduction of a national industry examination to help provide better outcomes for consumers.

Finsia Chief Executive Officer Russell Thomas said the adviser test would help boost consumer confidence and play a critical role in delivering sound financial advice.

"The community understands the national exam as an independent test of competence. An examination provides assurance that everyone in the industry, no matter where that adviser has previously studied, is up to a professional standard," Mr Thomas says.

Finsia says all advisers, regardless of their age or previous qualifications, should be required to pass the national test following an initial transition period.

"We have been particularly vocal in our support for the genuine desire among financial institutions to address the serious concerns that have been raised about the quality of financial advice and products", says Mr Thomas.

Finsia also says financial advice plays a critical role in boosting retirement incomes and ensuring that Australian retirees have enough to live off their super. The ageing of the population is expected to place a further strain on the country's fiscal position.

Mr Thomas said the impact of digitisation on the financial services industry was also a critical area in the realm of financial advice and services. The organisation is calling for any new regulatory measures to be forward looking and consider the role new technology will play in the delivery of advice to consumers.

"The convergence of financial services and technology, or 'fintech', presents an opportunity for up and coming industry leaders. We are likely to see increasing levels of disruption in the delivery of financial services to the client.

"With this in mind, we need to be cautious of only solving for yesterday's problem and taking a retrospective approach to regulation. Instead, the industry needs to be thinking about new digital platforms that will be offering tailored, lower cost financial advice. It really should be about access to quality financial advice, rather than specific business models that are currently in place," Mr Thomas said.

Finsia's advocacy on industry education standards comes as the organisation seeks to amend its corporate governance standards and structures of its Board.

Key changes include increasing the Board's effectiveness through a reduction in Directors to a minimum of 7, and maximum of 9, along with a greater emphasis on diversity of skills and experience.

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Governance Matters — an independent expert — were engaged to assist the Board to review its governance structures and practices. These key reforms will be considered at the organisation's Annual General Meeting on 28 May.

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### **About Finsia**

Finsia — the Financial Services Institute of Australasia — is Australasia's premier membership organisation for the financial services industry.

Finsia advances our members' careers by building their capability and professional standing – and by connecting them to leading content, insights and influential networks. Finsia also plays a vital role in strengthening the financial services industry through policy initiatives and respected credentials that drive rigorous professional standards.

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