

30 November 2018

By email
consultation@fasea.gov.au

Dear Standards Authority,

Re: Work and Training Requirements Legislative Instrument

FINSIA thanks FASEA for the opportunity to provide feedback on the exposure draft of the Work and Training Requirements Legislative Instrument.

FINSIA is a professional body for individuals. Our members are from the financial services sector, bringing with them a broad range of knowledge, experience and views.

FINSIA generally supports the exposure draft of the legislative instrument. However, we do have some specific concerns. In particular, we do not support the supervisor of the provisional relevant provider being required to have only 2 years of experience as a relevant provider. In our view, the supervisor should be required to have a minimum of 5 years of experience as a relevant provider. The purpose of the professional year is to ensure new advisers are exposed to high quality practical work experience and training. There is likely to be a positive relationship between such quality and the years of experience of the supervisor. On the other hand, the greater the minimum number of years of experience, the smaller the pool of potential supervisors. In our view, a requirement of a minimum of five years of experience strikes an appropriate balance between the competing goals of quality of supervision and the need for a large pool of potential supervisors.

FINSIA also believes that completion certificates should be able to be issued by either the supervisor or licensee of the provisional relevant provider. Regardless of who issues the certificate, they would need to be satisfied that the conditions required under s 12(3)(a)-(d) of the legislative instrument have been met.

FINSIA questions whether it is necessary to require ASIC to be notified whenever a completion certificate is issued under the provisions for accelerated progress. While we accept that notification will make oversight of the use of these provisions easier, we would question whether this benefit is outweighed by the additional compliance burden. Further, we understood that the policy that had been settled on was that the notification requirement would only apply in respect of final completion certificates.

FINSIA recommends that s 11(1)(a) of the legislative instrument be amended to the following:

training provided, facilitated or approved by the provider's supervisor or licensee relevant to practice as a relevant provider;

finsia.com

Level 4
16 Spring Street
Sydney NSW 2000
Australia

T 61 2 9275 7900
T 1300 346 742
F 61 2 9275 7999
membership@finsia.com

PO Box H99
Australia Square
NSW 1215
Australia

ABN 96 066 027 389

This amendment would clarify that a provisional relevant provider could meet their requirement to undertake structured training, by undertaking training that their supervisor or licensee has simply approved rather than provided or helped make available. For example, the provisional relevant provider could undertake training approved by the licensee that is offered by a third-party education provider. Such training might, for example, be a course of study for the purposes of achieving expertise or accreditation in a particular area of financial advice or a particular kind of financial product. In our view, the amendment would be desirable as it would enhance flexibility while still requiring that training is subject to oversight by the supervisor or licensee of the provisional relevant provider.

We also request that FASEA clarify that specialists who do not meet the experience requirements can provide training and supervision provided that overall supervision is undertaken by a supervisor who meets the experience requirements.

We note that FASEA may provide guidance and templates. We recommend that FASEA be required to provide such guidance and templates but that their use by the sector is not mandated.

Should you have any queries relating to this submission, please contact Dimitri Diamantes SA Fin, Head of Policy: d.diamantes@finsia.com.au

Kind regards,

Dimitri Diamantes
Head of Policy