

21 December 2018

By email
consultation@fasea.gov.au

Re: Relevant Providers Exam Draft Legislative Instrument

To Whom It May Concern,

FINSIA¹ thanks FASEA for the opportunity to provide feedback on the exposure draft of *Relevant Providers Exam Draft Legislative Instrument*.

FINSIA generally supports the draft. We do have the following concerns:

- For each sitting of the exam, the Legislative Instrument should require the exam provider to make available to all candidates of the sitting general information about how well or poorly the candidates performed and the distribution of performance, including in respect of each knowledge and skills area.
- Section 6(3)(a)(iv) states the exam will cover legal obligations mapped to the requirements of Australian taxation law and commercial law, as covered in relevant courses approved by the Tax Practitioners Board. The note below this section states the courses referred to are those that are approved courses for tax agents. The Legislative Instrument should refer to approved courses for tax (financial) advisers given that is what the majority of advisers would be registered as.
- Section 7(2) requires the exam to have at least 70 questions, comprising at least 64 multiple choice and at least 6 written response. The instrument should be definitive as opposed to applying a minimum requirement.
- Section 9(3) states:

The questions in an exam, and the maximum marks that may be awarded for each question, must be approved by persons with appropriate expertise, appointed by the exam administrator.

“appropriate expertise” should be defined to mean ‘expertise gained in the course of the professional practice or academic study of financial advice.’
- Section 10(16) states that a candidate will only be notified that they have passed or failed the exam. This will make it difficult to determine if the candidate should apply for a review of the marking given it will not be clear how they performed in the written response section, which is the only section that will be reviewed. We recommend that candidates are also notified of their percentage result for, or at least whether they passed or failed, the written response questions.

¹ 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.

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- Section 10(16) states the exam will be marked to a credit level. The lower and upper thresholds for a credit mark can vary from one education provider to another. The Legislative Instrument should specify the upper and lower limits of the range.
- Section 10(19) states that, from 1 January 2020, the administrator of the exam will be required to make alternative arrangements for candidates to sit the exam in situations where the candidate lives in a remote location or is unable to travel to the exam location. This discriminates against these candidates by providing them with only 12 months to pass the exam. Alternative arrangements should be made available for these candidates as soon as the exam is launched.
- The examination policy states the exam will be scheduled bi-monthly in 2020. The Oxford Dictionary defines bi-monthly as “occurring or produced twice a month or every two months”. FASEA should clarify their intent with our preference being they be scheduled twice per month.
- The Legislative Instrument should provide that FASEA must ensure the provision of the exam is subject to an audit, on at least an annual basis, by a suitably qualified auditor that is independent of FASEA and the exam provider and that the results of the audit are recorded and made available to the public.

Should there be 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