

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

ANSWERS TO QUESTIONS ON NOTICE

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

FINANCIAL ADVICE SECTOR

30 June 2020

Division/Agency: Financial Adviser Standards and Ethics Advisory Ltd (FASEA)

Question No: FAS02QON

Topic: Financial Adviser Qualifications

Reference: Hansard page 24 (30 June 2020)

Member: Dr Leigh

Question:

Dr LEIGH: The advice degrees are also going up in price, aren't they?

Mr Glenfield: I don't know that for sure.

Dr LEIGH: I'd be grateful if you would take that on notice and get back to me on that.

Answer:

Section 921B(2) of the Corporations Act 2001 requires relevant providers to complete a bachelor or higher degree, or equivalent qualification, approved by the standards body.

To date, FASEA has approved over 160 historic and current degrees, graduate diplomas, and bridging courses that advisers may complete to meet the Corporations Act minimum education requirement.

Course fees vary across universities and higher education providers and are not set by FASEA.

The Federal Government has announced proposed changes to the Commonwealth Grant Scheme funding clusters and student contribution bands for students in Commonwealth supported places. If the legislation were to pass this would likely mean an increase in the cost to new students in Commonwealth supported places commencing studies in financial advice.

The proposed legislative amendments to the Commonwealth Grant Scheme do not directly impact fee paying students (i.e. students not in Commonwealth supported places). Fees for these students are set by universities and have not been announced for 2021 and beyond.