

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: FAS03QON

Topic: Financial Adviser Qualifications

Reference: Hansard page 26 (30 June 2020)

Member: Kelly

Question:

Mr CRAIG KELLY: What are the costs of these extra courses? Again, say I'm 59 years of age and I've been told I have to go and do these courses, what's the actual cost of the courses?

Mr Glenfield: The course costs vary across university and provider. I'd have to take on notice the exact dollar figures by university.

Mr CRAIG KELLY: Would I be too far out if I guessed about \$2,000 to \$3,000 per course?

Mr Glenfield: Again, it depends on the higher education provider. It would be better if I took that on notice to give you an accurate figure.

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.

Advice received from a number of higher education providers indicated a range of course fees for undergraduate courses (bachelor level) of between \$1,390 for a Commonwealth supported place to \$3,350 for a full fee-paying student per course. A unit of study at a post graduate level (Graduate Diploma or higher) ranged from \$1,300 to \$3,375 per course.