

MEDIA RELEASE

New financial advice qualifications should be limited for limited personal advisers, says Mentor MD.

Tuesday April 26, 2016. With community debate raging in the finance industry on how to enhance its professional standards, one expert educationalist believes the government needs to legislate around a clear distinction between comprehensive versus limited financial advisers.

Dr. Mark Sinclair, Managing Director of Mentor Education, said today that, "Any legislation on qualifications should be focussed on advisers who provide comprehensive personal advice and not overreach to the majority of advisers who provide only limited personal advice."

He added, "Accountants, life insurance and other advisers seeking to provide personal advice in SMSFs, AND who limit their advice to retail clients, should be exempt from the requirement to do a fully-fledged Degree as this would entail studying subjects that are not relevant to that adviser. For example, Accountants should not be required to study Estate Planning, Aged Care or Succession Planning if they are seeking only to provide SMSF advice.

"But," cautions Dr. Sinclair, "at an absolute minimum these limited financial advisers should have completed that subset of a Bachelor of Financial Planning degree comprising of two foundation subjects (with Ethics being mandatory) plus a minimum of three core subjects focussing on their area of interest or specialisation - making a minimum of 5 units all together."

"That way, across Australia, consumers can be assured of a standardised and appropriate bare minimum qualification level for limited financial advisers."

"On the other hand, those advisers who want to provide full financial plans and holistic advice should be required by law to do a standalone, 24-subject Bachelor of Financial Planning degree. *(See background notes for editors for the proposed subjects required for such a degree)*

It follows, says Dr. Sinclair that such a comprehensive financial planner should not be able to just rely on a 12-subject Masters of Financial Planning or a hybrid Bachelor's Degree such as a Bachelor of Commerce with some financial planning subjects.

Equally, those advisers who only have such hybrid degrees or so-called "degree equivalents" - such as industry association four subject post-nominals - should a) only be allowed to provide limited financial advice, and b) only as long as the five foundation subjects have been done. Yet, even for those advisers who currently do not have the full list of 5 under their belts, a reasonable transition period to allow for such training would be ample.

"Of course," says Dr. Sinclair, "depending on existing qualifications and experience, existing financial planners are likely to qualify for credits/exemptions for a great deal of the subjects required by the new legislation. In the case of a current comprehensive personal financial adviser, probably half of the 24 subjects in a degree would already have been completed, with relevant industry experience also being awarded with credits."

Dr. Sinclair believes, "This new legislation could elegantly solve many dilemmas by establishing a nationwide base level of training of 5 minimum subjects for limited advisers,

but also mandate that any provider of comprehensive financial planning must have completed a 24-subject Bachelor of Financial Planning degree. He notes that, while such a full degree is not yet taught at any Australian institution, it would not take long for the relevant material to be developed and approved. Certainly a five-year transition period for the development of such materials would suffice.”

ENDS



High resolution photo available on request

About Dr. Mark Sinclair

Dr. Mark Sinclair is the founder and Managing Director of Mentor Education. Dr. Sinclair started provided financial services training in 2003 with a strong desire to provide high levels of student satisfaction and skill-based learning outcomes. This ‘student focus’ is a direct result of Mark’s doctoral studies, corporate advisory experience with AT Kearney and KPMG, and his time tutoring to the MBA program at RMIT. During his career, Mark has advised senior executives at over 100 organisations in a broad range of industries throughout Australia, Southeast Asia and the Middle East including strategic assignment with the Commonwealth Bank of Australia, Department of Education, Telstra and the Reserve Bank of Indonesia.

About Mentor Education

Established in 2002 and headquartered in Melbourne, Mentor Education is Australia’s largest privately owned financial services training company. Mentor has educated over 15,000 thousand financial advisers. Employing 27 staff, the highly successful business specialises in the provision of professional and personal development training through face-to-face, distance education and interactive e-learning facilities.

Mentor courses lead to qualifications in financial planning, accounting, bookkeeping, mortgage broking and credit management. Specialist adviser courses are also provided as well as Continuous Professional Development technology and content. As a registered RTO, all Mentor Education qualifications are nationally recognised.

Media enquiries: Mr Joe Perri, 0412 112 545 or jperri@joeperri.com.au