

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 3161

Topic: Financial Planning Industry

Hansard Page: page no. 41, 26 February 2014

Senator WHISH-WILSON asked:

Senator WHISH-WILSON: Okay. I will ask about a potential test, which is something we discussed at length with a number of stakeholders in Sydney. It was a test for financial planners or other people in the financial industry. Is it your belief, Mr Medcraft, that the reason this has not been implemented after a long period of discussion is simply resistance from the various groups in the financial planning industry?

Mr Medcraft: There is actually quite strong support for it from all the major industry groups. In fact, we have previously had letters of support from all the major institutions. We may be able to provide you a copy of them. We were going to do something for the inquiry. We had a panel of experts look at what competencies would need to be tested for the exam. I said to the team we should provide those competencies that should be tested, as identified by the industry, to you to give you an idea.

Answer:

In the context of exploring alternate self-regulatory funding models for a national examination for financial planners, the Commonwealth Bank, AMP, Westpac/BT, ANZ and NAB/MLC all expressed support in writing for a national examination for financial advisers. However, four of the five indicated that completion of the exam should be mandatory.

ASIC Consultation Paper 212 Licensing: Training of financial product advisers – Update to RG 146 (CP 212) set out the key recommendations of the Cognitive Task Analysis research in relation to the knowledge and skills required to provide quality financial advice: see paragraph 21 and Appendix B of CP 212.