

[ON PRACTICE](#) [ADVICE](#) [INDUSTRY](#) [INVESTMENT](#) [PROFILES](#) [REGULATION](#) [OPINION](#) [ROUNDTABLES](#) [EDUCATION](#)[Home](#) [Featured Homepage Posts](#)

FEATURED HOMEPAGE POSTS

Investment education standards missing

[Tahn Sharpe](#) July 19, 2018[in](#) [twitter](#) [facebook](#) [email](#)

At the *Professional Planner* Licensee Summit in the Blue Mountains earlier this year Graham Rich stood up and fronted Louise Macaulay, head of advice at the regulator, on their lack of interest in the education standards of investment professionals. He recalls using an analogy to make his point.

"I said that there's a lot of focus on licensees and their owners, who are like owners of restaurants, and a whole lot of focus on advisers, who are like wait staff. There's also plenty of focus on the product providers, who represent the ingredients. But there's absolutely no focus on the investment professionals, who are the cooks in this scenario."

The problem, he says, is that ASIC has no idea how investment portfolios are being put together.

"They don't know who's spitting in the soup," Rich says.

Rich, who was chief executive and publisher of FPG Research before selling the firm to Morningstar in 1999, now runs brilliant!, the professional development company best known for its annual Portfolio Construction Forum.

Rich says that while the government is focusing on adviser education via the Financial Adviser Standards and Ethics Authority, investment component is being ignored in the standards.

[Privacy](#) - [Terms](#)

ON PRACTICE

ADVICE

INDUSTRY

INVESTMENT

PROFILES

REGULATION

OPINION

ROUNDTABLES

EDUCATION

FASEA’s consultation paper on adviser examinations, released earlier this month, included five proposed competency areas – none of which covered investment.

‘The heartbeat of quality advice’

Rich believes investment education standards are lacking on several levels: FASEA isn’t demanding them of advisers, ASIC isn’t requiring them of investment committees, and fund managers aren’t asking them of their employees.

“To be a business development manager for a fund company, you need no qualification whatsoever,” Rich points out.

The importance of education benchmarks for investment professionals is that they have an impact on the investment returns clients rely on for a comfortable retirement, Rich says.

“The heartbeat of quality advice ultimately comes down to the quality of the investment portfolio. You have no quality retirement expectation without it,” he argues.

He admits his views on education standards for investment professionals are self-serving, given his company provides education programs aimed at individuals with discretion around multi-manager portfolio construction. However, he points out his business interests are a product of his perceived need for attention in this area.

Rich laments that ASIC’s Macaulay, when pressed, was seemingly agnostic about the regulator’s lack of focus on investment education standards.

“Louise admitted from the stage that they had no budget and hadn’t really thought about it. That’s why FASEA doesn’t care about investments either, because they just aren’t part of the mindset.”

Rich says there is no real thinking about the role of investments from the top down.

If ASIC is meant to be involved in securities and investments, Rich argues, it should be interested in the qualifications of those that run them.

“I think it’s a disgrace,” he says.

[ASIC](#), [EDUCATION STANDARDS](#), [FASEA](#), [GRAHAM RICH](#), [INVESTMENT EDUCATION](#), [PORTFOLIO CONSTRUCTION FORUM](#)



Tahn Sharpe is a Sydney-based financial services journalist with a background in financial planning. He writes on advice, superannuation, investment, banking and insurance issues, is a certified SMSF Adviser and holds an Advanced Diploma of Financial Planning. Contact at tahn.sharpe@conexusfinancial.com.au

Tahn's Profile

Leave a comment

Please login via linkedin to post a comment

Login via LinkedIn

MOST RECENT

[Local super industry leading the world on mental health during Covid-19](#)

[Carden Calder has shown her greatest strength at home](#)



RELATED CONTENT



INDUSTRY

I don't mention I'm from AMP'

Advisers licensed by AMP admit the latest round of scandals has made them reluctant to admit their link to the company. Yet most think De Ferrari is still the man to lead the institution back from the brink.

[Tahn Sharpe](#)
August 18, 2020



SUPERANNUATION

Local super industry leading the world on mental health during Covid-19

It is a difficult time, but also a time of excitement for mental health advocates, who say Covid-19 is catalysing deep change among business leaders, policymakers and the broader community in how to address mental health.

[Ben Hurley](#)
August 17, 2020



PROFILES

Carden Calder has shown her greatest strength at home

Because hearing people talk about their personal challenges has been an enormous help to Carden Calder, the communications executive has decided to open up about her own personal situation in the hope it will help others too.

[Ben Hurley](#)
August 17, 2020

Sign up to our daily newsletter for regular news flashes and industry insights.

Subscribe

ON PRACTICE ADVICE INDUSTRY INVESTMENT PROFILES REGULATION OPINION ROUNDTABLES EDUCATION

where they can learn about industry standards, get news, information, debate and develop new ideas.

[Advertise](#)

[Contact us](#)

[About Us](#)

[Feedback](#)

[Cookie Policy](#)

[Conexus Financial](#)

Our partners



© 2020 Conexus Financial. professionalplanner.com.au. Please read our [Terms and Conditions](#), [Privacy Policy](#) and [Terms of use](#).