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## Financial advisers face \$20,000 cost as new standards kick in

By [Emma Koehn](#)

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Financial advisers are hitting the books to comply with Australia's new minimum study standards but there's debate over whether they should receive financial support to cover thousands in course fees.

On Monday the Financial Adviser Standards and Ethics Authority (FASEA) released new guidance on approved university courses as it rolled out sweeping changes to financial adviser training.



Financial Planning Association CEO Dante De Gori.

From this year, [existing financial planners who don't have relevant prior training](#) in financial advice will have to study either bridging units or a full graduate diploma in order to continue practising.

It's a move many warned would force planners from the profession and now those in the space say advisers who want to stay will be paying thousands over the next few years to get up to speed.

The Financial Planning Association of Australia has called for support for planning businesses, suggesting in a pre-budget submission the government provide a way to reduce the cost burden.

"To ensure financial planners can meet the cost of this new requirement, the government should review the support available for planners and extend Commonwealth Supported Places to postgraduate courses that are part of the education and training standard," the group argued in its submission last month.

Chief executive Dante De Gori said based on analysis of university course fees, planners required to complete a full graduate diploma will have to pay between \$20,000 and \$34,000. Many of these units will incur higher postgraduate fees of up to \$3,000 a subject.

"When transitioning 25,000 planners to these new standards, there should be some government support in order to do this," Mr De Gori said.

The FPA is looking forward to the sector having a "high bar of entry", but to get there many existing planners will have to wear large retraining costs, De Gori said.

Assistant treasurer, Stuart Robert's office said financial planners already benefit from "generous transitional arrangements" and may be able to access the Higher Education Loan Programme (HELP) if they meet eligibility standards.

Head of wealth management education platform Portfolio Construction Forum, Graham Rich, said it is estimated around one third of the existing planning community will have to do at least some bridging units.

"You're going to be saying that most of those planners have a bill of between \$7,500 and \$20,000," he said.



Financial planners are opening up the textbooks to get in shape for new study standards. SHUTTERSTOCK

Association of Financial Advisers chief executive Philip Kewin said some planners, like single parents and those on the cusp of retirement, will be hit by the costs.

"The additional cost will be an impost and I'm hearing from many it's going to be very difficult," Mr Kewin said.

Rich said planners should not be asking for financial support, arguing business owners should be able to absorb the cost.

"I think if a business or practice can't fund that amount of education, and if an individual who is by definition already in practice and arguing they are a professional can't pay, we have other problems."

New financial advisers are also required to pass an exam on financial planning which includes an ethics component, while existing planners will have to successfully pass this test by 2021 if they want to keep practising.

The Australian Securities and Investments Commission wrote in a guide earlier this year that monitoring bodies, which could include professional planner organisations, would be registered in future to monitor compliance with ethics standards.

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**Emma Koehn**



Emma is the small business reporter for The Age and Sydney Morning Herald based in Melbourne.