

FPA must accept the new rules

Classification:

Subhead:

Text: Listening to **financial** planners fight new laws requiring them to have a degree reminds me of my attempts to understand the Serbian political perspective as NATO bombed Belgrade and Novi Sad in 1999.

Serb soldiers and paramilitaries were in Kosovo fighting highly-criminalised terrorist groups linked to Afghanistan Islamic extremists inflicting untold misery on Christian Serbs.

And Kosovo is significant to Serbs. It was where their great leader Prince Lazar was martyred by the invading Ottomans in 1389 and where the Serbs whipped the Turks 523 years later.

Financial planners right now feel like they are under attack and they're grabbing at bits of their own history to deal with a changed world.

All sorts of rotten stuff has been done by a minority of **financial** planners and by multi-level product-pushing machines created by the big four banks and AMP. All this has triggered radical action by Federal politicians, investigations and even a royal commission. Right or wrong, it has also triggered laws requiring all planners to have a uni degree or the equivalent by 2024.

The body the Federal Government has entrusted with putting its law into action, the **Financial** Adviser Standards and Ethics Authority, has made it clear that it does not see industry qualifications as the same thing as qualifications obtained from a university.

These non-degree industry qualifications include the **Financial Planning** Association's US-designed Certified **Financial Planning** designation (that it likes to hype up with the registered AE).

As **Nick Bruining** pointed out in Your Money in May, the CFPAE designation has been undermined by an appalling weakening of testing standards over two decades. And the FPA's been weakened with infiltration by product floggers from the big four banks and AMP.

Yet in its submission to FASEA released last week, the FPA again called for its CFP designation to effectively be recognised as the equivalent of a university degree. The FPA wants this compromised trade qualification given the same status as a graduate diploma for a **financial** planner who has an unrelated university degree.

This is a delusional call based on forgetting all those inconvenient truths that led to Federal Parliament demanding higher **education** standards for

planners. Like Prince Lazar, the CFP is now at best a guiding light visible through the fog of history and all that has subsequently gone wrong.

The CFP has never been a university degree and never will be as long as it is administered by a compromised outfit like the FPA. Universities may choose to give the CFP some credit towards a graduate diploma under the new laws. Recognising the CFP as anything approaching a university qualification would undermine laws passed by Parliament.

The FPA needs to learn from Serbia and get on with it.

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