

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer and Minister for Financial Services

Corporations Act 2001

Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Amendment (2023 Measures No. 3) Determination 2023

Part 7.6 of the Corporations Act (the Act) sets out licensing obligations for relevant providers, which are financial planners and financial advisers. Section 921B sets out education and training standards for a person who is, or is to be, a relevant provider.

Paragraph 921C(1)(b) of the Act prohibits the Australian Securities and Investments Commission (ASIC) from granting a financial services licence to a person who has not met the education and training standards. Subsection 921C(2) prohibits licensees and authorised representatives of licensees from authorising other persons to give personal advice to retail clients in relation to relevant financial products unless the other persons have met the education and training standards.

The first education and training standard in subsection 921B(2) requires that a relevant provider has completed an approved bachelor or higher degree, or equivalent qualification, or foreign qualification, that has been approved by the Minister. Paragraph 921B(6)(a) of the Act provides that the Minister responsible for administering the Act may, by legislative instrument, approve bachelor or higher degrees, or equivalent qualifications, for relevant providers.

Before approving domestic bachelor or higher degrees, or equivalent qualifications, the Minister must be satisfied that doing so is necessary or desirable to ensure relevant providers are adequately trained and competent to provide personal advice to retail clients (subsection 921B(7) of the Act).

Approved bachelor or higher degrees, and equivalent qualifications, are set out in the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021* (the Determination). The Determination is updated from time to time as educational providers seek approval of new degrees and make changes to existing approved degrees and associated units.

This instrument updates the Determination to:

- add new approved degrees;
- reflect the new Financial Advice Association of Australia Limited;
- provide corrections and updates to existing approved degrees/qualifications; and
- correct various references (relating to transitional provisions for existing providers, and conditions relating to ethics bridging units and required units of study for existing approved degrees/qualifications).

The Minister has assessed that these amendments are necessary and desirable to ensure that relevant providers are adequately trained and competent to provide personal advice to retail clients in relation to relevant financial products.

The instrument amends the Determination to make updates identified in consultation with relevant educational providers. Public consultation on the instrument was not undertaken as the instrument is minor and machinery in nature.

The instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.

The instrument is subject to disallowance under section 42 of the *Legislation Act 2003*.

The instrument is subject to sunseting under section 50 of the *Legislation Act 2003*.

The instrument commenced on the day after the instrument was registered on the Federal Register of Legislation.

Details of the instrument are set out in [Attachment A](#).

A statement of Compatibility with Human Rights is at [Attachment B](#).

The Office of Impact Analysis has been (OIA) has been consulted (ref: OIA23-05766) and agreed that an Impact Analysis is not required. The measure has no impact on compliance costs.

Details of the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Amendment (2023 Measures No. 3) Determination 2023

Section 1 – Name

This section provides that the name of the instrument is the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Amendment (2023 Measures No. 3) Determination 2023* (the Amending Determination).

Section 2 – Commencement

Schedule 1 to the Amending Determination commenced on the day after the instrument was registered on the Federal Register of Legislation.

Section 3 – Authority

The Amending Determination is made under the *Corporations Act 2001* (the Act).

Section 4 – Schedules

This section provides that each instrument that is specified in the Schedules to this instrument are amended or repealed as set out in the applicable items in the Schedules, and any other item in the Schedules to this instrument has effect according to its terms.

Schedule 1 – Updates to approved courses in the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021 (the Determination)

New approved degrees

Griffith University

Griffith University offers several approved Bachelor degrees, listed at table items 27 to 29AB of Schedule 1 to the Determination. Item 18 amends existing table items 29AA and 29AB, and inserts new table item 29AC, to include additional approved degrees as variations to the existing approved degrees, as outlined below.

The existing approved degree at table item 29AA is the Bachelor of Advanced Business (Honours) (Financial Planning (Extended) major). Item 18 amends the existing table item to include where a person has completed the relevant financial planning studies as part of a double major for that approved degree – referred to as the Bachelor of Advanced Business (Honours) (Financial Planning and Taxation (Extended) major).

The existing approved degree at table item 29AB is the Bachelor of Business (Financial Planning (Extended) major). Item 18 amends the existing table item to include where a person has completed the relevant financial planning studies as part of a double major for that approved degree – referred to as the Bachelor of Business (Financial Planning and Taxation (Extended) major).

Item 18 also inserts new table item 29AC. This ensures that the existing approved Bachelor of Business (Financial Planning (Extended) major) – that is, current table item 29AB – is also an approved degree if it is completed as a double degree.

Griffith University also offers several approved postgraduate degrees, listed at table items 80A to 84 of Schedule 1 to the Determination. The existing approved degree at table item 83A is the Master of Financial Planning. This approved degree is conditional upon the relevant provider completing the specified units of study. Item 39 amends the existing table item to include any Masters degree with a major in Financial Planning, where the relevant provider has completed the same specified units of study.

Royal Melbourne Institute of Technology (RMIT)

RMIT offers several approved postgraduate degrees, listed at table items 90 to 90B of Schedule 1 to the Determination. The existing approved degree at table item 90 is the Master of Financial Planning / Master of Business (Financial Planning). This approved degree is conditional upon the relevant provider completing the specified units of study. Item 45 amends the existing table item to include a Graduate Diploma in Financial Planning, where the relevant provider has completed the same specified units of study.

New South Wales Technical and Further Education Commission (TAFE NSW)

TAFE NSW currently offers two approved Bachelor degrees, listed at table items 42 and 42A of Schedule 1 to the Determination. These approved degrees apply where the relevant provider commenced the degree between 2012 and 2018.

Item 27 inserts new table item 42B to include the current versions of those two degree programs – that is, where the relevant provider commenced the degree on or after 1 January 2019.

The Financial Advice Association of Australia Limited

Items 1 to 4 reflect that the Financial Planning Association merged with the Association of Financial Advisers on 3 April 2023 to form the Financial Advice Association of Australia Limited (FAAA). The amendments ensure that qualifying units and the approved degree are recognised despite the name change of the provider on any new Statements of Results issued.

Corrections and updates to existing approved degrees/qualifications

As part of a routine review of the Determination, higher education providers were asked to provide any updates to their existing approved degrees/qualifications to ensure that the details outlined in the Determination are accurate and up-to-date. They identified a range of amendments intended to:

- correct typographical and other minor errors;
- update references to course names and/or codes;
- update details relating to commencement of the approved degree/qualification;
- update details of the required units of study (for example, old/new subject codes and/or names for existing approved units, equivalent units that have the same content and learning outcomes as existing approved units, whether or not an ethics bridging unit is required);
- remove obsolete references (including removing a duplicate entry).

Items 5 to 57 amend various existing approved degrees/qualifications to reflect these updates and corrections.

Schedule 2 – Other amendments to the Determination

Item 1 – reference to transitional provisions for existing providers

Section 8 of the Determination outlines the transitional arrangements for existing providers to meet the education and training standards. Item 1 of Schedule 2 amends section 8 of the Determination to correct a typographical error in the reference to the relevant transitional provisions in the Act.

Item 2 – reference to ethics bridging unit

Paragraph 6(2)(a) of the Determination provides that a relevant provider must complete an Ethics for Professional Advisers bridging unit unless the approved degree/qualification listed in the table at Schedule 1 to the Determination states that this paragraph does not apply. The statement used for this purpose throughout the table items at Schedule 1 to the Determination currently refers to ‘an ethics unit of study’.

Item 2 of Schedule 2 to the instrument amends this statement (wherever it appears throughout the list of approved degrees/qualifications) to more appropriately refer to ‘an ethics bridging unit’.

Item 3 – reference to units of study as a condition of approved degree/qualification

Many of the approved degrees/qualifications listed in the table at Schedule 1 to the Determination include a condition requiring the relevant provider to complete specified units of study ‘as part of the degree program’. This restriction that all specified units of study must be completed *as part of the degree program* is causing unnecessary barriers to entry for potential new entrants to the industry.

Item 3 of Schedule 2 to the instrument amends this condition (wherever it appears throughout the list of approved degrees/qualifications) to remove the requirement that the specified units of study must be completed *as part of the degree program*. The relevant provider must still complete all the specified units of study in order to meet the conditions for the approved degree/qualification. However, it is not necessary for each unit of study to appear on the person’s academic transcript as having been completed *as part of the approved degree/qualification*. For example, a person could still meet the conditions for an approved degree/qualification where they have completed a unit of study specified for that approved degree/qualification:

- as part of a different degree at that institution (for example, before switching to the approved degree/qualification); or
- as a non-award subject completed at that institution after completing the approved degree/qualification (for example, in order to meet the conditions for that approved degree/qualification).

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Amendment (2023 Measures No. 3) Determination 2023

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Section 921B of the *Corporations Act 2001* sets out education and training standards for relevant providers, who are financial advisers and financial planners. The first education and training standard requires relevant providers to complete a bachelor or higher degree, or equivalent qualification, approved by the Minister.

Bachelor or higher degrees, and equivalent qualifications, that are approved by the Minister are set out in the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021* (the Determination). The Legislative Instrument updates the Determination to:

- add new approved degrees;
- reflect the new Financial Advice Association of Australia Limited;
- provide corrections and updates to existing approved degrees/qualifications; and
- correct various references (relating to transitional provisions for existing providers, and conditions relating to ethics bridging units and required units of study for existing approved degrees/qualifications).

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.