

30 September 2013

Ms Nicole Chew
Lawyer, Financial Advisers
Australian Securities and Investments Commission
Level 5
100 Market Street
SYDNEY NSW 2000

Email: policy.submissions@asic.gov.au

Dear Ms Chew,

Re: CP 215: Assessment and approval of training courses for financial product advisers: Update to RG 146

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$500 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

Whilst AIST understands the advantages for individual registered training organisations (RTOs) and self-assessing organisations (SAOs) to provide documentation that confirms their role as authorised assessors under RG 146, we are uncertain why this resource cannot be maintained by another regulator, for example, ASQA or TEQSA in parallel. We maintain that a centralised resource provides additional and credible third party verification which may be used to confirm documentation received from RTOs or SAOs.

B1: Replacement of ASIC Training Register

AIST supports moves to grant Class Order relief to the new certification measures. We further support a retained archive of the Training Register for historical purposes, however, as we maintain throughout this submission, we believe that locating past data in the same place as a current centralised data resource would further assist licensees in locating this data about all employees, not just those who were educated at certain points in what may appear as an arbitrary timeline.

AIST believe that the proposal to replace the training register with the Draft Class Order does not go far enough as we believe that the Draft Class Order does not provide sufficient protection for licensees in relying on documentation prepared by assessors. We interpret the proposed text of

the modified section 912AC insertion, at (4), to only protect licensees in the instance that certification actually has been provided by an authorised assessor.

In other words, where a documentation confirming compliance has been provided fraudulently, mistakenly, incorrectly or not, the Draft Class Order will still require licensees to inquire as to its validity. Consequently, we believe that this measure will greatly inflate the costs of compliance, and may also result in increased costs of advice for consumers.

Furthermore, this returns licensees back to the previous position, where they did not have the class order relief and means that there could be no circumstances where the class order relief would actually apply.

We recommend that the inserted text to modify section 912AC at subsection (4)(a) be re-worded to allow licensees to rely in good faith on documentation provided by representatives.

An additional concern that we have relates to delays caused in verifying certification due to privacy reasons. We note that this is a significant concern.

B2: Guidance on written certification

AIST believes that RTOs, who are currently required to provide lists of competencies assessed under the national VET regulation standards, will be able to comply easily. We note that SAOs presently have no equivalent requirement. We wish to draw your attention to paragraph 40, which notes present reporting practices in place at SAOs: Unlike RTOs, there are no present requirements to report to students at a lower level than by subject and the reporting referred to in paragraph 40 is not detailed enough.

Our preferred method of confirmation remains a centralised resource where completed courses can be checked for verification against a list.

We explained earlier in this letter that we believe that licensees will still need to verify any certification provided by (or on behalf of) authorised assessors under the proposed Draft Class Order as it currently reads. We have no doubt that without a centralised resource, the only way to obtain confirmation of a qualification may be through a lengthy process that would require licensees to contact assessors directly.

We agree that certification will benefit students, advisers and, potentially consumers; however, do not see these advantages for licensees. We note, in addition, that students who completed courses from 25 September 2012, until when this Draft Class Order comes into force, will not have any way of verifying their qualifications.

B4: Implementation

AIST would support the proposed implementation date. We make the point, however, that the proposed implementation date for the Draft Class Order is only a few months prior to the proposed commencement of the “Regime B” proposals considered in CP 212, which leaves very little time to make changes if issues or difficulties arise. AIST and Industry Super Network (ISN) raised this issue independently in our joint submission on CP 212.

If you have any further questions regarding this submission, please contact Richard Webb, Policy & Regulatory Analyst on 03 8677 3835 or at rwebb@aist.asn.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Garcia', is written over a light blue horizontal line.

Tom Garcia
Chief Executive Officer