

FASEA Submission

Consultation Papers CP3, 4, 5, 6, 7

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Thank you for the opportunity to make a submission on these important parts of FASEA's work. This submission provides both general comments and particular responses to FASEA's specific queries on Consultation Papers 3, 4, 5, 6 and 7.

As one over-arching comment, applicable to the Examination (CP3), the Professional Year (CP5) and CPD (CP6), we wish to stress the importance of FASEA's continuing work, and the necessity of FASEA *conducting periodic reviews* on each of these professional elements to ensure they are meeting industry need and fulfilling the intention of the 2017 legislation: that is, to ensure the competent and ethical provision of financial advice.

* This submission was developed with input from members of ASIC's Consumer Advisory Panel, and from members of the FASEA Consumer Network.

CP3: Financial Adviser Examination

Preliminary comment on Exam Functions

We wholly approve of the exam's presence within the developing financial adviser integrity system, as set down in the 2017 legislation. The below comments are based on the understanding that the exam, like other similarly situated professional exams, aims to fulfil the following functions:

- i) provide an independent check on education standards;
- ii) provide guidance for the standardization of knowledge across education providers;
- iii) provide a test of the practical application of knowledge, demonstrating the capability to employ theoretical knowledge (developed through university courses) in producing professional-quality advice and guidance in typical client-scenarios;
- iv) provide a key element in transitional pathways for existing relevant providers;
- v) provide an important element and check in the pathway for foreign-qualified entrants.
- vi) provide an important element and check for re-accreditation of professionals after a lengthy period of non-practice.

These functions can be expected to vary over time, and FASEA will need to play an important role, through periodic reviews of the exam's effectiveness, in ensuring the exam is effectively fulfilling its core functions. For example, as university courses become increasingly well-established and standardized, functions (i) and (ii) may be expected to become less urgent considerations. So too, by January 2021 when existing financial advisers will have fully transitioned to the new system, (iv) will no longer be relevant. However, functions (iii), (v) and (vi) will be expected to remain in full force, as they do in most established professions. It therefore may be that after 2021, FASEA will be able to revisit the exam's content and structure with an exclusive focus on these three functions.

FASEA Specific Queries

S3 Exam Scope & Curriculum

Proposal: FASEA Proposes the exam allows candidates to demonstrate professional reasoning and apply knowledge acquired to actual financial advice scenarios at AQF7 level. Skills to be examined are detailed in Section 3.

Questions:

S3.1 Do you agree with the scope of the proposed examination? If not, why not?

We agree with the scope of the proposed examination.

S3.2 Is the proposed scope of the exam appropriate for new entrants? If not, why not?

New entrants will have followed the required pathway and completed a FASEA-approved undergraduate degree. They can therefore be presumed to have learned and been examined on more theoretical professional knowledge. What is necessary at this point is to test the new entrant can use professional reasoning to construct and impart expert guidance in concrete scenarios. For this reason, the proposed scope of the exam, testing the application of knowledge to actual financial advice scenarios, is highly appropriate.

S3.3 Is the proposed scope of the exam appropriate for existing advisers? If not, why not?

We agree with the scope of the exam for existing advisers. Quality-of-advice is the key area where improvement in standards is most needed amongst existing advisers. The sections on ethics and the FASEA Code will also be important, and will help ensure that the relevant education pathways (all have which will have taught and tested knowledge of the FASEA Code) have delivered the necessary learning outcomes in a way that makes decision-making about application to situations ethically appropriate.

S4 Exam Format

Proposal: FASEA proposes the following parameters:

- A total of 75 questions - split between a maximum of seventy (70) selected response and a minimum of five (5) written response questions
- Proportion of questions testing each domain of the curriculum
- The duration of the examination is expected to be between 3 to 4 hours
- A scaled passing score of 65% overall and a minimum pass mark in each knowledge area

Further details in Section 4.

Questions:

S4.1 Is the type and mix of questions proposed for the exam appropriate (i.e. selected vs written)? If not, why not?

70 selected responses and 5 written response appears to us as a reasonable amount and balance between the need for rigorous comprehensive testing, and logistical constraints.

S4.2 Is the curriculum proposed to be covered appropriate? If not, why not?

The five key elements to be covered by the exam curriculum are appropriate.

However, we suggest that 30% on the Corporations Act seems high, compared to 20% on Financial Advice Construction. The overwhelming majority of those sitting the exam will have done (at least) the 3-subject bridging course (i.e. most new and existing providers will fall into the first four of the FASEA education pathways). This means the candidates will

already have been recently taught and tested on the Corporations Act, Behavioural Finance and the FASEA Code. In comparison, existing advisers taking the 3-subject bridging course may have done little formal study (recently – or at all) on the theory and application of Financial Advice Construction. Yet existing adviser competency in advice construction has been a long-standing area of concern.¹

Of course, it is possible that FASEA wishes to prioritize employing the exam as a check on the standards of education providers (especially those delivering the bridging courses). If this is the case, then it makes sense to devote considerable priority to ascertaining knowledge of the Corporations Act. However, if the educational providers can be assumed to be of adequate quality, then we suggest the Exam prioritizes testing the competencies that the education pathways have not already taught and assessed. In that spirit, we make the following suggestion:

Proposal: Shift the proportions of question to 30% on Financial Advice Construction, and 20% on the Corporations Act.

On ethics, the 25% on applied reasoning and communication, added to 15% on the FASEA Code, looks appropriate.

S4.3 Is the proposed duration of the exam appropriate? If not, why not?

3-4 hours is an appropriate duration in the context of other professional exams. Anything shorter will limit the knowledge that can be tested. Longer exams can become an exercise in stamina rather than knowledge.

S4.4 Is the proposed overall scaled pass mark of 65% and the additional individual knowledge area pass requirements appropriate? Should the Code of Ethics knowledge area pass mark be set at 75% or other level and the other knowledge areas at 50% or other level?

Naturally, it is difficult to judge the appropriateness of the 65% pass mark without knowing the difficulty of the questions. However, we strongly agree with FASEA's proposals that each candidate must achieve a 50% pass in each level, and 75% in the Code of Ethics. Clearly, high scores in one section will not make up (when it comes to giving professional-standards advice) for poor knowledge in another area. For this reason, we strongly support FASEA's position of requiring passable knowledge in each category.

¹ See sources cited in: Hugh Breakey and Charles Sampford, "National Exams as a Tool for Improving Standards: Can Australian Financial Advisers Take a Leaf from the Professionals' Book?," *University of New South Wales Law Journal* 40, no. 1 (2017).

We note that, if FASEA wished, it might require extra CPD in areas where candidates had only just passed the required standard.

S5 Sitting the Exam and Delivery Mode

Proposal: FASEA proposes that the:

- Candidate meets the relevant criteria to be able to sit the exam.
- Candidates have a maximum of 2 resits per individual with a defined period between each resit. In addition, candidates can apply for a resit in exceptional circumstances.
- Exam will be in face to face locations, with the option of online delivery with periodic availability to a set timetable

S5.1 Is the proposed number of resits appropriate? If not, why not?

We strongly endorse FASEA's decision to cap resits. Capping resits is necessary from a consumer perspective to prevent substandard entrants from repeatedly taking the test until they get through by sheer force of luck. With this in mind, a limitation of two resits seems appropriate as a sensible balance between consumer outcomes and exam integrity (on the one hand) and offering reasonable chances for aspirants (on the other). Aspirants who fail their first two tries should be anticipated to be strategic with their last one, maximizing their chances through significant and lengthy study. If at that point they still do not pass, then they have had a fair amount of chances.

Requiring a defined amount of time (e.g., 2 months, 4 months, etc.) between taking the exam ensures that individuals are forced to do ongoing study between attempts, which is a good result. However, we do note that a lengthy defined period here, combined with the requirement that the Professional Year cannot begin until after the exam is passed (see below 'Considerations on Exam timing/position') may pose a considerable financial/employment burden on new entrants who fail their first attempt at the exam.

S5.2 Is the proposed mode and frequency of delivery appropriate? If not, why not?

The proposed mode and frequency of delivery are appropriate. We note in particular the appropriateness of the exam for those who, "Previously held registration as a Financial Adviser in Australia and are now intending to return to practice after more than 5 years without practicing..." We agree with FASEA that this lengthy period out of the industry – given both that professional knowledge can deteriorate naturally when unused, and that the financial environment will have developed in that time – requires resitting the exam.

S7 Additional Needs

Proposal: FASEA proposes that candidates with a disability or other special needs will be able to request support to provide appropriate assistance to allow them to sit the examination. See section 7 for more details.

Question: S7.1 Are the proposed arrangements in relation to additional needs appropriate? If not, why not?

We agree with the proposed arrangements in relation to additional needs.

S8 Special Considerations

Proposal: FASEA proposes Special consideration is available to candidates who are unable to sit or complete an examination due to exceptional circumstance beyond their control with All applications submitted in writing within 14 working days of the date of the examination (depending on the nature of the request).

Questions: S8.1 Are the proposed arrangements in relation to special considerations appropriate? If not, why not?

The proposed arrangements are appropriate. However, candidates should be made aware ahead of time that more low-level problems (e.g., the failure of transport to the exam) will not count as an exceptional condition, and that they should plan accordingly.

It is perhaps also worth mentioning in the guidance that if for any reason the exam is not able to be delivered by those tasked with delivering or invigilating the exam, then the exam can be resat without charge or penalty for those affected. (Guidance could clarify where responsibility lies for parts of the delivery: for example, if internet connectivity issues arise in providing the exam to rural candidates, is this a legitimate ground for resitting without penalty, or is this the responsibility of the candidate?)

Other Comments

Considerations on Exam timing/position

Our understanding is that the positioning of the exam, in terms of its timing in the pathways to accreditation as a relevant provider, is not set by legislation (the Corporations Act s921B(3) lists but does not temporally order the elements), but rather is determined by FASEA. CP3 (p.2) positions the Exam thus:

“From January 2019 and on an ongoing basis, individuals that are new entrants or returning to the industry are required to pass the exam after they have completed their tertiary degree, and before commencement of their Professional Year.”

This ordering is a common arrangement in established professions, but it is perhaps worth observing here that other arrangements are common too. In particular, several other professions (such as those governing law and medical specializations) position the exam differently, by allowing, and sometimes requiring, the exam to be sat *during or after* the required work experience (undertaken as a provisional professional).²

CP3 does not explain FASEA's reasoning for positioning the exam at this juncture, but (from our perspective) there are good reasons for requiring a successful result on the exam before entering the Professional Year:

1. *Education check*: Positioning the exam before the beginning of the Professional Year ensures that the exam constitutes a direct check on the standards of educational providers, and provides a strong motive for educational providers to ensure a level of standardization of their curricula (as the graduates will expect to be well-placed to pass the exam);
2. *Consumer protection*: The exam ensures a level of professional expertise, especially in practical and applied areas, is attained before the provisional relevant provider is in a position to give (even supervised) advice to actual clients.
3. *Facilitate lifelong learning*: Positioning the exam before the beginning of the Professional Year ensures that the education component of the Professional Year will be spent *building on and extending* the knowledge already possessed in order to pass the exam. As well as assisting knowledge development, this will help instil in the provisional relevant provider the understanding that education and learning is not merely something performed at one stage of the career (at university, or in order to pass the exam), but something that is expected to be continually developed and expanded throughout the professional career.

Equally though, there are advantages in considering an alternative approach, namely: *allowing the exam to be achieved during, rather than before beginning, the Professional Year*. This would deliver the following advantages:

1. It allows entrants to secure, or at least to pursue, immediate employment placement upon university completion. This aids planning and certainty for both aspirants and potential employers.
2. It ensures there is not a challenging gap, with resulting economic pressures, between aspirants completing university studies and commencing employment in the industry. Moving directly into industry employment (as a provisional relevant provider) before completing the exam would be of particular benefit in any cases where the gap between

² See *ibid.*, 400, 06.

university accreditation and taking the exam is sizable. (This could occur for any number of reasons, including challenges faced by regional, disability or special needs candidates, or those who have exceptional circumstances interfere with their initial sitting of the exam (as per CP3, S8). Being able to be employed as a provisional relevant provider before passing the exam will also reduce the disruption and loss to candidates who fail their first sitting of the exam; they are not denied industry employment until they re-sit and pass the exam. (This will be particularly important if the exams standards turn out to be relatively high, with a not insignificant proportion of candidates failing their first attempt.)

3. It provides a focus for education during the Professional Year, and provides something of a 'test' for its quality and efficacy. Provisional relevant providers are strongly motivated to commit themselves to the education parts of their Professional Year, in order to pass the exam.
4. It allows the exam to test high standards. The presumption can be that aspirants are learning during the Professional Year, building on university content in developing applied knowledge. As well, the life-costs of aspirants failing the exam is less acute (because it does not pose a barrier to provisional employment), making higher standards more acceptable.
5. It allows migrants with foreign educational qualifications (that have been accepted by FASEA and NOOSR as per CP7) to enter into industry work at a provisional level while they continue to acquire the local expertise (and, perhaps, English language skills) that would empower them to pass the exam.

Other possibilities, situated between these two approaches, could also be considered. For example, CP5 on the Professional Year (pp.7-8) allows the provisional relevant provider in PY3 and PY4 of the Professional Year to move from direct to indirect supervision of their client engagements. A requirement to *pass the exam before the provisional relevant provider is allowed to enter into the second half (PY3) of their professional year* might therefore accrue the advantages of both approaches above:

- Similar to having the exam *before* the professional year, this approach ensures clients are protected from getting advice before the candidate's proficiency is independently ascertained, and ensures that some of the study (namely, that done in PY3 and PY4) extends beyond and builds upon the prior studies done to pass the exam.
- Similar to having the exam *independent of* the Professional Year, this approach allows direct employment entry (at a provisional level) once the university study has been completed.

Proposal: We propose that FASEA consider whether allowing the exam to be done *during* the Professional Year (in particular, to have it completed before the second half of the Professional

Year (PY3) begins), rather than prior to entry into it, would benefit new entrants at little to no cost to consumers.

Considerations on Exam Integrity

A major advantage of the governance system set up through FASEA, and by the 2017 legislation, is that the exam is only one element amongst a larger system of standards-raising initiatives, including formal education, CPD, the professional year, and more. These other checks and hurdles assist in weakening the incentive for aspirants to breach the exam's integrity through deliberate, well-planned cheating. In particular, if a financial services aspirant must in any event complete a 3-year bachelor degree, then his or her self-interested motive for cheating on the exam is considerably minimized, as compared with a situation where the exam presented the only obstacle to professional accreditation.³

That said, measures to bulwark the exam's integrity still merit serious consideration. This is especially so for existing relevant providers who are in a position to avoid the most burdensome educational requirements (that is, those who will qualify for the bridging course pathways, or who are able to gain significant RPL when completing their graduate diploma). For this group the exam *does stand* as the major standards-based obstacle to continued accreditation, meaning there may be considerable incentive to cheat.

Unfortunately, experience suggests that there is (at least) a substantial minority of this cohort that exhibits low ethical standards and a perfunctory – if not antagonistic – attitude to compliance initiatives. This minority may well have enjoyed lucrative profits in the previous regime and possess a strong desire to stay on in the industry if possible, combined with self-righteous resistance to the spirit and aims of the 2017 legislation. As distinct from normal individual, decentralised professional aspirants, who might be tempted to cheat, this group is already well-connected and organized, and may find itself capable of mounting systematic attempts at breaching the exam's integrity. Indeed, entire institutions may feel they could benefit considerably by accomplishing such a breach. For example, well-resourced licensees (such as major banks) could ensure the easy accreditation of their employees if they could breach the exam's integrity.

These considerations reflect, perhaps, a rather cynical perspective on some pockets of the existing financial planning/banking industry. However, there is something to be said for 'planning for the worst' as a way of nipping in the bud any temptations that might otherwise arise. The following recommendations are made in that spirit.

Recommendations:

³ Ibid., 395-6.

- Ensure there is a high amount of questions in the Exam's Question Bank, especially in its selected response/multiple-choice section. Even if some questions possess only minor or superficial differences, the presence of a high number of questions could help thwart cheating institutions from building up a list of the question bank, and simply teaching its employees/licensees/students to rote-learn the list.
- Be vigilant in the planning of non-face-to-face exam-sitting (e.g., for regional candidates). Exam integrity works in two directions. On the one hand, it is vital to ensure that the entrant cannot cheat during this sitting of the exam. On the other hand, it is imperative to make sure the exam is not being exposed (e.g., recorded) in any way that would facilitate later cheating (by the entrant in question, or by his or her confederates). Digital delivery may prove a challenge for both directions, and must be carefully invigilated.
- Capping re-sits on the exam doubles as a beneficial integrity measure for the exam. It ensures that particular individuals cannot keep sitting the exam for illicit purposes (e.g., to incrementally develop a working list of the question bank).
- Clarify that any efforts by any provisional or existing relevant providers to undermine the integrity of the exam – for example by assisting any party in the attempted compilation of the list of questions in the question bank – would count as a violation of Standard 12 of the FASEA Code of Ethics, and is therefore a fit subject for pro-active monitoring by monitoring bodies. (This is not to deny, of course, that education and training institutions have a legitimate interest in understanding, in broad qualitative terms, the likely content and structure of the exam.)

CP4: Provisional Relevant Provider Term

1. Is the proposed term of “Provisional Financial Adviser” an appropriate term to define an individual who is undertaking their work and training requirement? If not, why not?

Yes. The term is well-chosen. In our view, the terms ‘candidate’, ‘trainee’ and ‘supervised’ all connote a lower-level of expertise and proficiency than can be expected from a university graduate who has passed the exam. Consumers might be wary about receiving advice (in the third and fourth quarter of the professional year) from a candidate who is a ‘trainee’ (etc.), even if assured that the supervisor will check over the advice. Instead, ‘provisional’ reflects the level of competence such a graduate in the professional year can be expected to possess: viz., they are competent, educated and qualified, but going through a period of work experience and on-the-job training.

2. Is the proposed term of “Provisional Financial Adviser” appropriate to ensure consumers understand the individual is undertaking their work and training requirement? Are there any implications of this from a consumer perspective?

We think the term is appropriate. Indeed, it is possible (consumer testing would be required to confirm this) that consumers might analogize from the idea of someone on their ‘provisional’ license, as distinct from a learner-driver on the one hand, and an experienced ‘full’ license on the other. This would be an apt comparison, and implies that provisional is an appropriate term.

3. Are there any other alternative terms that may be considered?

One suggestion to consider would be to allow ‘Provisional Financial Planner’ as well as ‘Provisional Financial Adviser’. There are two reasons for considering this proposal.

First, the 2017 legislation protects both terms, allowing them to be used interchangeably. So allowing the use of ‘Provisional Financial Planner’ (as well as advisor) would accord straightforwardly with the legislation.

Second, consider cases where relevant providers have chosen to use the term ‘financial planner’ on their branding and business names (etc.). If those providers take on supervising a candidate for the professional year, then the situation would arise where the supervisor is a ‘Financial Planner’ while the candidate is a ‘Provisional Financial Adviser’. This could cause confusion for clients and consumers, who may mistakenly think a significant (or even legal) distinction is being drawn between ‘planner’ and ‘advisor’. Being able to use both terms for the provisional relevant provider would allow candidates in their professional year to simply attach ‘provisional’ to whatever term (‘financial planner’ or ‘financial adviser’) their

supervisor/organization prefers to use, avoiding the possibility of any confusion arising for clients.

CP5: Professional Work & Training Requirement (Professional Year)

S3. Responsibilities for approving work and training in the Professional Year

3.1. Do you agree with the requirement for supervisors to have a minimum of 2 years' experience as a relevant provider?

This condition is a sensible one, and we agree with it. Given that the supervisor's role is to inculcate the provisional relevant provider into expert practice, a level of contemporary and current knowledge is necessary. Therefore, we suggest that the requirement be that the supervisor has two years of overall experience, and at least one year of *recent* experience (that is, the supervisor is not returning from a lengthy time out of the industry.)

In addition, we suggest that *other conditions* also could be added to this requirement. After all, experience (in the form of the 2-year requirement) is not the only quality necessary for supervising entrants. Ethical conduct, knowledge and expertise is critical too. We recommend that there should be a requirement for a supervisor (at the time they are appointed as supervisor) to have demonstrated a minimum standard of ethical compliance. Many alternatives are possible here, but a plausible condition would be that the supervisor has not been found by a monitoring body to be in breach of the code of ethics. The condition could be that they have never been found in *serious* breach of the code, and not been guilty of a *minor* breach of the code in (say) the last two years. This would help ensure that poor-standards existing relevant providers are not inculcating those standards in new entrants.

To the extent that financial advice businesses and licensees value having the option of bringing in new entrants doing their professional year, this would provide another incentive to make sure that relevant providers conform to the code, to ensure they are capable of supervising new entrants doing the professional year.

S4. Requirements – work and training

4.1. Do you agree with the requirement for individuals that return after a career break?

The conditions for relevant providers that return after a career break are not entirely clear in CP5. CP5 (p.4) allows that providers with periods of leave less than 2 years can return without 'additional' requirements. But providers with leave greater than 2 years are only required to undertake 'appropriate CPD' (p.5). It is difficult to see how this is an 'additional requirement', given that all relevant providers, returning and otherwise, are required to do CPD. Is it FASEA's intention that this requirement concerns the quality and content required of the CPD for (the 2-year+) returning provider? Or does FASEA envisage an additional quantity of CPD being performed by this group? This could be clarified.

In either case, we suggest that returning advisers from more than 2 years of leave be required to *develop a CPD plan* for their first year of return work, to demonstrate that they have given clear thought, and will perform appropriate actions, to fill the need to update their knowledge and expertise.

(Another condition, flagged above, would be that a returning adviser (from more than 2 years leave) cannot be a supervisor of a candidate's Professional Year until they have been back in the industry for at least 1 year.)

4.2. Do you agree with the proposed amount of time and split between work and training required for the proposed Professional Year?

800 hours education, and 1000 hours supervised work, looks appropriate.

One alternative worth consideration would be to make it 600 hours minimum education, and 800 hours minimum work and supervised experience, with an overall requirement of the 1800 hours. This would leave more flexibility in the arrangement, and more discretion for a supervisor who (for example) feels that a provisional financial adviser needs more attention to education, while another needs more practical experience.

4.3. Do you agree that formal education should contribute to the training requirement of the proposed Professional Year?

We strongly agree that formal education (in the relevant study options listed p5) can contribute to the training requirement. The advantage of formal education is that there are independent systems of accountability and quality assurance governing it.

We were less clear about allowing the FASEA bridging course units to be included as part of the educational requirements of the Professional Year. Wouldn't the expectation be that all new entrants have covered these courses as part of their FASEA-approved undergraduate degree? This could be clarified.

We had one further query: While provisional relevant providers are not required to perform the CPD requirement, given their active engagement with training and education elsewhere, will standard CPD activities and events (as undertaken by existing professionals) nevertheless be appropriate as contributions to the educational parts of the professional year? This could be clarified.

S5. Competencies required for satisfaction of work and training standard

5.1. Do you agree with the competencies expected to be demonstrated before conclusion of the work and training period?

We agree with the listed competencies. They cover the main requirements for giving high-standards and professional-quality financial advice and align with graduate competencies.

5.2. Do you agree with the proposed quarterly supervised approach and indicative key activities aligned to each quarter?

In general, we agree with this approach and the indicative key activities, with their sensible stepped approach to increasing responsibilities over the PY's four quarters. These form a clear guideline for all supervisors and licensees.

Re Competency 4, it would be good to *see some more activities on ethics and professionalism throughout*, rather than just the assessment item noted at PY3/PY4 Assessment/Checkpoints. E.g., while shadowing in PY1 provisional advisers could be tasked with performing an ethics assessment of a straightforward piece of discrete financial advice – noting areas where the FASEA Code is implicated, and proposals for ensuring the standards are met. In PY2 the same task could be performed for a larger and more complex piece of financial advice. And throughout, supervisors should be explaining how the values at work in the FASEA Code are being implemented through the financial advice developed and delivered. (A major contributing factor in the development of ethical culture lies in entrants seeing not only that the actions of their peers and superiors *accord with* professional obligations, but in being shown explicitly that the obligations (and values and standards) *are at work* in the thinking and action of superiors, supervisors and experienced colleagues.

Side-note: The competencies listed (p.6) are phrased in terms of 'graduates'. This terminology could be changed to improve clarity, e.g., from 'financial services graduate' to 'provisional financial adviser'.

S6. Evidence collection

6.1. Do you agree with the combination of approaches for the measurement of competence and the collection of evidence?

In terms of laying down the roles and expectations, both for practices and collation of evidence, of the major actors tasked with implementing the professional year, we strongly agree with the combination of approaches outlined in CP5.

However, CP5 leaves largely untouched the questions of *accountability*: who are these actors accountable to, how are they policed or overseen, and what follows from a determination of inadequate performance?

The concern here is that the existing plan, and its combination of approaches, is delivered through the auspices of the provisional relevant provider, the supervisor and the licensee

(typically the employing business). No doubt if at least one of this group proves conscientious and pro-active, then this system should work appropriately. And it is plausible to think that there are many cases where supervisors and licensees will want entrants to develop into high-standards professionals. Given the higher standards of entrants (resulting from the Exam and the Approved Degree), and the ongoing significance of the FASEA Code as enforced through the monitoring bodies, we can expect a significant alignment between what employers/licensees want for their employees, and what the 2017 legislation and the FASEA Code demands.

The question however, is what will happen if there is a *divergence* between the competencies and practices that the Provisional Relevant Provider's employing institution (effectively covering both the supervisor and the licensee) would prefer to inculcate (on the one hand), and what would ensure the delivery of the professional standards as laid down in the FASEA Code (on the other).

After all, the previous regime for financial advice was largely built around these three groups (new entrants, existing practitioners and licensees), and it routinely failed to instil strong values and high standards. In some ways it is unsurprising that this group might not operate in the public interest: it is comprised (typically) of a profit-making business (the licensee) and two types of its employees (supervisors/existing relevant providers and new entrants/provisional relevant providers). The group can be expected to possess a strongly shared interest in the business' profit-making practices and objectives. There is no independence amongst or separation within the group such that the members can be reasonably expected to provide a check on the others.⁴

We therefore submit that it is necessary to seriously entertain the possibility of a new entrant beginning a professional year with both a low-standards supervisor and a low-standards licensee, where education and experience expectations are avoided or done in a lip-service way for reasons of expedience, ease, lack of prioritization or because of an endemic non-compliant culture in the organization. To avoid this situation, we submit, the close-linked group needs to be made directly accountable to other independent entities with different incentive structures.

CP5 (p4) states:

⁴ On the use of institutional separation in the context of integrity systems, see Hugh Breakey, "Dividing to Conquer: Employing the Separation of Powers to Structure Institutional Inter-Relations," *Research in Ethical Issues in Organizations* 12 (2014).

“The Standards Authority expects that the Supervisor will support the provisional relevant provider and will ensure that evidence of the work and training standard has been collected, reviewed and is available to the Provisional Relevant Provider and other relevant entities such as ASIC, a Code Monitoring Body and FASEA.” (our emphasis)

It would be helpful to clarify how and under what terms ASIC, the Code Monitoring Body and FASEA will gain access to this information, how they will evaluate it, and what will happen if they determine it fails to demonstrate that a Provisional Relevant Provider was given sufficient experience and education throughout their professional year. Is it FASEA’s expectation that the Professional Year will articulate with either the FASEA Code and the code monitoring bodies (on the one hand) or with ASIC and the regulation of licensees (on the other) in order to deliver accountability to the regime set down in CP5?

Our proposal is that FASEA explicitly stipulate that a failure to deliver an acceptable professional year can be construed, and investigated, as a violation of Standard 10 and/or Standard 12 of the FASEA Code of Ethics. This could be made clear under the guidance for the Code, so that all parties – provisional relevant providers on their professional year, supervisors and licensees – are aware that conscientious attention to professional year standards falls under the FASEA Code, and is therefore a fit subject for pro-active policing by the code monitoring bodies.

(Perhaps the monitoring bodies and/or ASIC could also keep (non-public) records of which supervisors and/or licensees oversee the professional years of provisional relevant providers who go on to commit serious breaches of the code.)

These are just suggestions, but the over-arching intention is to ensure there is ultimately some accountability for quality teaching and education throughout the professional year. In most other areas of the integrity system (the exam, the Code, the education pathways), it is relatively clear how the governance system works and why entities would be incentivized to produce quality outcomes, or are accountable to an entity that is so incentivized. But this is not as clear in this case. While CP5 clearly develops and explains the role of the main actors in delivering the professional year, we submit that there needs to be a clear and direct explanation of how these expectations interact with the larger integrity system (FASEA, ASIC, the Code Monitoring Bodies) to ensure accountability.

6.2. Do you agree with the proposed periodic review between the Provisional Relevant Provider and the Supervisor?

We agree with the proposed periodic review. The time-periods could be made clearer, however. A periodic review at the completion/beginning of each quarter seems a reasonable minimum expectation, and this could be made explicit.

S7. Exit Criteria

7.1. Do you agree with the proposed exit criteria and the requirements of the Provisional Relevant Provider?

We agree with the proposed exit criteria and requirements for the provisional relevant provider.

One possible addition: The Career Development Plan at the end of PY4 could include the development of a CPD plan for the ensuing year. This would ensure all relevant providers were familiar with the process of thinking through and developing such a plan, and have access to supervisor's input and guidance the first time they develop one.

7.2. Do you agree with the proposed exit criteria and the requirements of the Supervisor?

We agree with the proposed exit criteria and the requirements of the Supervisor.

We also agree with the proposed recommendations for the licensee. Is there a possibility that these reviews could be part of the formal requirements of a licensee? This would allow a combination of approaches for practicing the professional year, but a quality assurance at the end of it in the audits performed by the licensee.

S8. Potential resources and templates

8.1. Do you believe that templates may be useful and could be used as a guide only?

We believe the templates would be very useful.

Re their status as a 'guide only': FASEA could set down an expectation that the resource and templates were expected to be used, unless supervisors specifically wanted to depart from them in some area or another, in which case they could set down briefly the way that they ensured the delivery of a key competency. This arrangement could harness the benefit of having standards across the professional year, but allow supervisors the discretion and flexibility to depart from them for pedagogical or logistical reasons.

8.2. Are there templates in respect of any other matters that would be useful?

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CP6: Continuing Professional Development (CPD)

S3. Responsibilities for Continuing Professional Development

3.1. Do you agree with the proposed requirement for 50 hours of CPD per year, 70% of which should be approved by the licensee? If not, why not?

We agree with the proposed requirements. 50 hours per week is in line with amounts employed by some other similar professions, though high compared to some (e.g. barristers). Given the problems financial planners have faced, we agree with FASEA's decision to set down a significant number. After all, 50 hours per week would only involve a fortnightly 2-hour session.

Requiring 70% licensee-approved CPD and 30% not-approved allows freedom and flexibility for relevant providers to direct their own lifelong learning. This is consistent with the level of autonomy expected of professionals. It allows a fruitful mix of top-down ('approved') and bottom-up/practitioner-led CPD.⁵ It also allows licensees to avoid arduous and usually unnecessary task of approving all CPD hours that might be pursued by the relevant providers.

3.2. Do you agree with the proposed Licensee approved CPD approach and the proposal for a published CPD policy? If not, why not?

We are generally happy agree with FASEA's use of both 'approved CPD' and 'non-approved CPD'. This is an appropriate term to employ for this purpose within the profession. However, it is worth noting that if the term was in wider use, laypeople might mistakenly presume that 'unapproved' meant 'unauthorized' or substandard etc.

It would be ideal in the guidance to explicitly clarify what the licensee is required to do for 'non-approved' CPD. Our understanding is that the licensee is required to:

- Ensure that the activity did take place (the employee was where s/he said s/he was, and was doing what s/he said s/he was doing.
- Ensure that in recording their activity, the employee has categorized the CPD activity according to one of FASEA's approved categories.
- However, the licensee is *not* required to gauge the quality, content and topicality of the non-approved CPD activity.

⁵ In terms of CPD models, it balanced between an Input model and an Outcome-Focused Model. See Andy Boon and Toni Fazaeli, "Professional Bodies and Continuing Professional Development: A Case Study," in *Challenging Professional Learning* ed. Sue Crowley (London: Routledge, 2014).

For ‘approved’ CPD, the situation differs in terms of the final above-mentioned requirement. In this case, the licensee *is* required to enquire into the quality, content and topicality of the CPD activity, and to ensure these are of an appropriate standard and relevance.

We agree that the licensee’s CPD approach should be published. This will help create a level of transparency and accountability, assist in building expectations for relevant providers employed through that licensee, and also provide a resource for other licensees to adopt or develop.

3.3. Do you agree with the proposal to develop and maintain a Professional Development Plan? If not, why not?

We agree with the proposal to develop and maintain a Professional Development Plan. Given the other changes and obligations created by the 2017 legislation, and the autonomy of professional decision-making, it seems reasonable at this stage to allow relevant providers the option (rather than the mandated requirement) to develop and maintain their Professional Development Plan. However, this could be revisited by FASEA in later years in its periodic reviews, if the Authority judges that CPD is not working as effectively as envisaged.

We propose that developing a Professional Development Plan should be *made mandatory* in the following cases:

1. For supervisors of the professional year, to demonstrate their status as leading professionals capable of inculcating high standards of education and practice in entrants.
2. For provisional relevant providers as a final task in PY4: developing a Professional Development Plan, with the assistance of their supervisor, for the following year (i.e., planning their CPD in their first year as a relevant provider).
3. For any relevant providers returning to the industry after an absence of more than two years.
4. For any relevant providers directed to do so by a monitoring body (at its discretion, and usually in the context of a minor breach of the FASEA Code), so they can develop a plan to increase their proficiency in relevant competencies.

S4. CPD Requirements

4.1 Do you agree with the proposal for an hours-based system of CPD calculation? If not, why not?

We agree with the proposal for an hours-based system of CPD calculation. This model allows considerable flexibility for both employers/licensees and for professionals to have autonomy in directing their own lifelong learning.

4.2 Do you agree with the types of CPD activities proposed? If not, why not?

We agree with the types of CPD activities proposed. These will allow a variety of options for professionals fulfilling their CPD obligations.

4.3 Do you agree with the proposed evidence and record keeping requirements? If not, why not?

Many of the same governance concerns arise for CPD and CP6 as they did for the Professional Year (as discussed above in the context of CP5). That is, the structure of the main actors, their roles and responsibilities is clear and workable. However, the governance structure, in terms of accountability relations, is less clear. For the Professional Year, the main actors were the entrant, the supervisor and the licensee. While it is evident that these must be the main actors, the problem in that case was that there was no independent oversight ensuring professional standards when those standards depart from the profit-seeking objectives of the employer/licensee. Similarly with CPD, the invigilating organization is the licensee, which may not have incentives to develop professional standards, as distinct from qualities and knowledge that profit the business. For this reason, the licensee may adopt a lax attitude to CPD, either treating it as an annoying distraction from its core business, or using CPD to perform in-house training serving its own purposes.

It also warrants notice that the creators of financial products in the previous regime (prior to the roll-out of the 2017 legislation) had an all-too-intimate relation with the relevant providers selling their products or directing funds to their platforms. Efforts at industry professionalization and enforcement of the FASEA Code (especially Standards 2, 3, 5 and 9 – and particularly if the Code includes an explicit prohibition on conflicts of interest) will introduce a separation and independence of relevant providers from product creators. Product creators can be expected to wish to weaken that separation, as far as possible, and may see CPD as a promising avenue to accomplish this. In the guise of ‘educating’ relevant providers about their new products and platforms, product creators may try to use CPD activities as advertising outlets (if not as outright bribery, with lavish dinners, faux-speaking engagement fees, and events (e.g., conferences at tourist destinations) masquerading as genuine CPD). Licensees may be willing to reject such activities as amounting to ‘approved CPD’. But on the other hand, they may not. After all, licensees have much to gain from the fact that other industries are providing valuable perks for their employees.

With this in mind, we recommend that FASEA makes clear that the conscientious and professional performance of CPD is required by Standard 10 of the FASEA Code (and is also relevant to Standard 12). It is therefore an appropriate area for pro-active policing by the relevant monitoring body. We further recommend that, at the end of each year, each licensee be mandated to send its records of each employee’s CPD to the relevant monitoring body.

The monitoring body may then examine and check up on those records at its discretion (e.g., occasionally performing a random audit; dedicated investigations in the case of ethical breaches by a specific relevant provider; working with ASIC as licensee-regulator to develop general recommendations to licensees on best practice to ensure compliance, etc.)

4.4 Do you agree with formal education as a contribution to the CPD requirement? If not, why not?

We agree that formal education should be allowed to contribute to the CPD requirement. Formal education has the advantage of harnessing independent standards of quality and content. As well as benefiting from university systems of assessment and accountability, formal education usually provides credentials that are portable, bankable and internationally recognized. So long as it is occurring in relevant areas, the use of formal education will expedite licensee-approval of the CPD (and, where relevant, the action of monitoring bodies policing Standard 10 of the FASEA Code).

More specifically, allowing formal education to count towards CPD will take some of the onerousness out of existing providers needing to complete the bridging courses (from 2019-2023), insofar as they will not need to do the entire CPD allotment as well as their formal education. In our view, this is a reasonable accommodation.

Finally, we agree with capping the amount of CPD that can be covered by formal education. While it has its virtues, university education has weaknesses (it can be too academic, theoretical and abstract), and the cap will ensure that relevant providers look to different modes of learning to fill out their CPD.

4.5 Do you agree with the CPD framework which provides examples of the different categories of learning activity and the rules for hours accrual in each category? If not, why not?

We agree with the proposed CPD Framework.

(Though see below 5.2 on possible additions here.)

5. Proposed Templates as guidance only

5.1 Do you agree that templates are useful and should be used as a guide only?

Yes.

5.2 Are there any other templates that would be useful?

One guidance document that could be useful, but would not have to be developed immediately, would be more fine-grained details about learning activities and recommended rules for hours accrual.

In this document, FASEA could offer specific guidance on how licensees should incorporate other alternative CPD activities that different relevant providers might prefer to employ. These could include (to provide some examples used in other professions) activities like mentoring and one-to-one coaching; individual research and reflection (e.g., writing journal articles/commentaries; personal debriefing and consideration of moral issues and ethical decisions made); use and development of ICT resources (e.g., web-based toolkits and sharing of materials); community/collaboration activities (e.g., peer-to-peer activities of shared learning, group discussions, networking events and joint exercises) and so on.

In other professions, professional organizations provide a points-based-system for different activities. For example, barristers who deliver CPD are credited with 3 points/per hour of delivery (as compared with 1 point per hour for attendance.) Other professions provide considerable credit (up to 20% of total requirements) for producing publications in refereed journals or other outlets). FASEA could provide similar metrics in future guidance documents (while leaving final decision-making with licensees).

CP7: Foreign Qualifications

S3. Foreign Qualifications Key Roles and Responsibilities

3.1 Do you agree that the NOOSR/DET assessment is an appropriate approach in assessing the education level of an overseas qualification? If not, why not?

We agree that the NOOSR assessment is appropriate – indeed it is critical – in determining if the degree is equivalent to given AQF qualification. Once that assessment is done, then FASEA can continue its appraisal of relevance in the same way it does with local entrants.

S4. Foreign Qualification Requirements

4.1. Do you agree with the approach for approving New Entrant Foreign Qualifications? If not, why not?

4.2. Is there an alternative approach that should be considered for approving New Entrant foreign qualifications?

4.3. Do you agree with the approach for approving Existing Adviser Foreign Qualifications? If not, why not?

4.4. Is there an alternative approach that should be considered for approving Existing Adviser foreign qualifications?

Re 4.1-4.4. We have several queries to raise with these approaches.

1. The draft figure for new entrants (p.4) does not include a FASEA Assessment of Related/Unrelated degree. New entrants in FASEA's Proposed Guidance on Education Pathways (hereafter 'PGEP') did not need this assessment because (following the 'New Entrant' pathway) they were required to do an Approved Undergraduate Degree, presumably incorporating coverage of the 3 Bridging Course subjects (Corporations Act/FASEA Code/Behavioural Finance). Because the Approved Undergraduate Degree could be required of this cohort, there was no need to have separate pathways for related or unrelated degrees.

But this is not the case for new entrants with foreign qualifications, such as a new migrant arriving in 2021 in Australia with a foreign degree. In this case the pathways will clearly need to differentiate between those new entrants with a related degree (e.g., in financial services) and those with an unrelated degree (e.g., in Visual Arts).

Proposal: Distinguish between unrelated and related degrees with the new entrant cohort as well as with the existing adviser cohort.

2. The top line of the figure p.4 leads to a ‘New Entrant Post Graduate Pathway’. But there is no such pathway in the PGEP. There is only one New Entrant Pathway in the PGEP, and it requires the undergraduate degree (Approved Degree, 24 subjects at AQF7).

Proposal: Allow New Entrants with a related degree into a new pathway that requires the Graduate Diploma (allowing for RPL, provided that Australian content is not necessary in the credited subject) and then the Professional Year.

3. The Existing Advisers figure (p.5) for existing advisers with related degrees allows them to take the PGEP pathway of ‘Existing Adviser Related Degree Pathway’, namely, the 3-subject Bridging Course. However, in our view CP7 needs to distinguish between two quite different cohorts within this larger group, viz. i) existing advisers (with foreign qualifications) *currently practicing in Australia between 2016 and 2019* and, ii) existing advisers (with foreign qualifications) that *practiced in a foreign jurisdiction between 2016 and 2019*. In terms of the legislation at s1546A these cohorts would both count as ‘existing providers’. But in terms of their standards and knowledge of the Australian context, they differ considerably. As CP7 rightly points out: “Financial services and financial advice in Australia are wide and complex fields with legal, taxation, investment and market requirements, contexts and products that are unique to Australia.” (p2)

For existing advisers *currently practicing in Australia between 2016 and 2019* (and with foreign qualifications) the 3-Subject Bridging Course seems appropriate. Such advisers (a) will have developed an understanding of key parts of the Australian context through their existing work, and (b) as working financial advisers in Australia they are entitled to a minimum of disruption of their existing practice by taking the pathways developed by FASEA in the PGEP for the phase-in period of the 2017 legislation.

But for existing advisers *who were practicing in a foreign country between 2016 and 2019* (and with foreign qualifications), the 3-subject Bridging Course seems insufficient. This cohort may have little knowledge of the Australian context (and it is difficult to know how much their industry experience supplies them with professional-standard knowledge, given the very different regulatory regimes in use around the globe).

Proposal: We submit that the Graduate Diploma would be a more appropriate pathway requirement for this cohort (allowing RPL (from both their industry experience and past education) provided Australian content is not necessary in the credited subject).

4. The pathway for Existing Advisers with a non-related degree (p.5) allows them to do the PGEP ‘Existing Adviser unrelated Degree Pathway’ – namely, the Graduate Diploma.

Given the non-related degree might be in something as peripheral as (say) Visual Arts, this outcome seems to place considerable trust in the existing adviser's industry experience. Perhaps combined with the Exam, the Graduate Diploma might be deemed sufficient. Still, consideration could be given to requiring this cohort to do the full undergraduate degree, and allowing RPL as appropriate. However, in the pathway list below we have left this pathway/cohort unchanged, on the assumption that the Exam will provide an effective barrier to accreditation for those whose existing experience is inadequate.

5. The Existing Adviser with a NOOSR non-approved degree (p.5) is allowed to take the PGEP 'Existing Adviser No Degree Pathway'. While this is clearly the correct pathway, unfortunately, the named educational requirement here is the Graduate Diploma. As per (4) above, this trusts a great deal to the existing adviser's industry experience, given that a member of this cohort might have no educational credentials (that would be recognized as Australian standard) *whatsoever*. Indeed, it is unclear how a member of this group (except in exceptional circumstances) would be able to qualify for entry into a Graduate Diploma at an Australian university.

Proposal: The pathway for this group can remain unchanged, but we recommend the named degree be changed to: FASEA Approved Undergraduate Degree.

If the four proposals above (enumerated in points 1, 2, 3 and 5) were adopted, and the recommended distinctions employed, then there would be nine different pathways. We appreciate that this introduces further complexity into an already complicated regime. However, if the priority for recognition of foreign qualifications is consumer protection, then this requires due recognition of potential gaps in candidate's educational and knowledge competencies.

The nine pathways for candidates with foreign qualifications would be as follows:

New Entrant with foreign qualification (NOOSR-approved; FASEA-related)

- *Graduate Diploma required. Professional Year required.*

New Entrant with foreign qualification (NOOSR-approved; FASEA-unrelated)

- *PGEP New Entrant Pathway (Undergraduate Degree). Professional Year required.*

New Entrant with foreign qualification (NOOSR-unapproved)

- *PGEP New Entrant Pathway (Undergraduate Degree). Professional Year required.*

Existing Australian provider with foreign qualification (NOOSR-approved; FASEA-related)

- *PGEP Existing Adviser Related Degree Pathway (3-subject Bridging Course.)*

Existing Australian provider with foreign qualification (NOOSR-approved; FASEA-unrelated)

- *PGEP Existing Adviser Unrelated Degree Pathway (Graduate Diploma)*

Existing Australian provider with foreign qualification (NOOSR-unapproved)

- *PGEP Existing Adviser Unrelated Degree Pathway (Graduate Diploma or perhaps Approved Bachelor's Degree)*

Existing Foreign provider with foreign qualifications (NOOSR-approved; FASEA-related)

- *PGEP Existing Adviser Unrelated Degree Pathway (Graduate Diploma)*

Existing Foreign Provider with foreign qualifications (NOOSR-approved; FASEA-unrelated)

- *PGEP Existing Adviser Unrelated Degree Pathway (Graduate Diploma)*

Existing Foreign Provider with foreign qualifications (NOOSR-unapproved)

- *PGEP Existing Adviser No Degree Pathway (Approved Bachelor's Degree)*

(Every pathway includes taking the Exam, of course, and each candidate can apply for RPL as appropriate, except in subjects where Australian course content is critical.)

Comments on the Precedent Database

This is an excellent initiative. Liberal use of publicity is desirable in this context.

From an ethical point of view, the situation of newly arrived existing providers differs from that of existing providers (whatever their citizenship) that had been practicing in Australia from 2016-18. Having been qualified, trained and working in the industry under a previous regime, existing providers working in Australia had a legitimate expectation⁶ that the new regime would provide them with a phase-in period and alternative pathways to accreditation. This has been appropriately delivered by the 2017 legislation through the Exam and the FASEA education pathways for existing providers. New entrants that have not been practicing advisers in Australia (like other new entrants to professional practice in Australia) have no analogous moral claim to special treatment.

⁶ See, e.g., Alexander Brown, "A Theory of Legitimate Expectations," *The Journal of Political Philosophy* 25, no. 4 (2017); Anne-France Colla, "Elements for a General Theory of Legitimate Expectations," *Moral Philosophy and Politics* 4, no. 2 (2017).

On the other hand, and also from an ethical point of view, foreign entrants making decisions about migration to Australia should be provided with as much accurate information about the pathways, requirements and likelihood of recognition of their previous work as possible, to ensure they do not find themselves blocked from practice by unexpected obstacles after their arrival. For this reason, FASEA having a precedent database, and publishing its list of NOOSR Approvals and FASEA determinations (related or unrelated) is highly recommended.

The same is true for FASEA's determination about credit for foreign courses. We agree with FASEA's position that "Credit cannot be given for elements of the required curriculum that are specific to the Australian legal, taxation and/or practice context." (p.6) It would be desirable for FASEA's determinations here to be made easily accessible, alongside the precedent database, so that those considering accreditation in the context of possible migration to Australia can be (so far as possible) clear about how their educational qualifications will be recognized, and where there are gaps that will need to be filled.

Consideration on Foreign Qualifications and the Exam

CP3 allows two re-sittings of the exam. This seems reasonable. If the candidate cannot pass the exam on three tries, then they are unlikely to do so in future (except through sheer luck). However, for foreign candidates the case is not quite as clear. They may still be developing their language proficiencies and understanding of Australian context over some time. It may be that for this group it would be reasonable to allow an extra re-sitting.

On a separate point, it is worth noting that other professions have encountered challenges when deploying professional exams as a condition of accreditation of foreign entrants from non-English-speaking-backgrounds. For example, in the context of the accreditation of migrant psychiatrists in Australia, there are repeated calls for the use of Workplace-Based-Assessments rather than the exam.⁷ The concern is that migrant aspirants might display sufficient language skills for on the job proficiency, but that these might not be enough to guarantee passing a formal written exam. While at this stage we consider that FASEA is correct to employ the exam in this context, we suggest that in its periodic reviews it keep careful track of the exam's ongoing utility as a device for testing foreign entrants, as opposed to other accreditation elements (such as workplace assessments) that might prove more appropriate for this cohort.

⁷ Carlos Zubaran, 'The International Migration of Health Care Professionals' (2012) 20 *Australasian Psychiatry* 512.

Further Information

If FASEA would like further information on any of the points raised here, or to any of the academic literature behind these recommendations, they are welcome to contact us:

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Professor Charles Sampford topped politics, philosophy and law at Melbourne, combining them in his Oxford DPhil (1986). As Griffith's Foundation Dean of Law (1991), he established the curriculum and research culture that, within 25 years, earned the Law School global rankings as high as 38 and 43 in the Shanghai and QS. He was Foundation Director of the Key Centre for Ethics, Law, Justice and Governance (1999-2004) and Convenor of the ARC Governance Research Network (2004-10) (the only ARC funded centre and network in law or governance). Since 2004, he has been Foundation Director of the Institute for Ethics, Governance and Law (a Griffith Strategic Research Centre linking four universities established on the initiative of the United Nations University, Griffith, QUT and ANU). He has completed over 150 articles and chapters and 32 books and edited collections. In 2008, for his work on ethics and integrity systems, Charles was recognized by the ARC as one of the 20 researchers across all disciplines who had had the greatest impact. He has held Senior Fellowships at Oxford and Harvard (where he held a Senior Fulbright) and is a Barrister and Company Director.