

# UFAA calls for boycott of the FASEA Exam

While the Australian Prime Minister calls for urgently needed post pandemic nation building that includes reforms to taxation, housing construction, deregulation and an end to 'mindless tribalism' he has overlooked financial services. In particular, the need to remedy two decades of failure that has impacted advisers and consumers alike said United Financial Advisers Association (UFAA) Chairman and spokesperson Mr Alex Vaglivello.

Commenting further Alex Vaglivello took particular aim at FASEA and the federal government's education and ongoing professionalism reforms for being draconian, harsh and impractical. "Whilst there's no denying that the reform that commenced in 2001 was needed, the entire blame for the industry's failures has been directed at the advisory sector and financial advisers burdened with an unending avalanche of compliance and administrative requirements".

"The findings of the Hayne Royal Commission into the deplorable behaviour (primarily by the major institutions) towards consumers was yet another example of the government remedying the situation by making advisers the scapegoats.

"Enough is enough" affirmed Alex Vaglivello.

Industry reform has been nothing short of regulatory overreach and its legacy –

- Unnecessarily complex and in large parts unclear
- Forced advice businesses to close and practitioners to exit with an estimated 25,000 admin / support staff and paraplanner job losses
- Put an end to affordable advice
- Legislated and enshrined an unlevel playing field
- Estimated \$700m to implement and a further \$350m in annual compliance costs

"Advisers are in favour of a strong respected sector comprised of highly skilled and appreciated practitioners that attracts a steady stream of graduate entrants seeking career and self-employment opportunities", added Alex Vaglivello.

"But over the past 20 years the actions of government from both persuasions has resulted in tribalistic outcomes that have benefitted the few i.e. large banks, fund managers, insurers and industry funds.

"All to the detriment of advisers, their businesses and staff.

"But worst of all, it has been the consumer that has been treated with utter contempt and disregard regardless of whichever government was in power at the time".

Alex Vaglivello cites the FASEA exam as the reform that UFAA members have called out as the much-needed line in the sand.

While on the surface, FASEA's values, purpose and need for the exam may appear noble – however the reality is far different. This is because the FASEA exam is completely opaque non-transparent in application and meaningless as an academic industry entry requirement.

Further, it does not bestow an industry accreditation on passing or as a reference to assist consumers understand or appreciate an individual adviser's competency.

Insultingly, it doesn't even count towards an adviser's annual Continual Professional Development requirement despite the amount of time this exercise entails. Yet failure to pass the exam will end an adviser's business putting an end to their livelihood regardless of years of practice and experience.

It is for this reason that the UFAA being sympathetic and supportive of its adviser members is now calling for a boycott of the exam and seeking a

practical alternative that is both honest, transparent and filled with integrity said Alex Vaglivello.

“Regardless of the narrative put forward by the LNP or Labor, FASEA and the industry is confused and in disarray while over-regulated to the point where it is on the verge of collapse”, said Alex Vaglivello.

“Overcome by reform fatigue, advisers are leaving the industry in record numbers with those remaining under severe strain as their businesses cope with a never-ending deluge of administrative and compliance demands.

“In this sense, the sector finds itself unique in that these confusing compliance demands, when compared to other similar industries, is dissuading new entrants considering a career in financial services.

Alex Vaglivello concluded referencing the PM’s call to end ‘mindless tribalism’ and said “There is an epic financial calamity on the horizon for the nation not seen since the Great Depression.

“More than ever before Australians need access to the services of financial advisers to guide them on their journeys back to financial well-being. However, financial advice must be affordable and accessible – hence the UFAA call to the PM for vision and leadership to address the industry’s severe failings and ensure the long-term viability of advisory businesses and the vital services they provide”.

ENDS

Issued by United Financial Advisers Association

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