

A surge in the number of wealth management degrees available from universities is laying the ground work for a better qualified advisory industry. Kate Marshall reports.

Financial planners are putting the final touches to a comprehensive makeover they hope will transform a motley crew of unregulated practitioners into a group of smartly polished professionals.

From January 2007, if your aim is to enter the certified financial planner program - the peak designation for financial planners granted exclusively by the Financial Planning Association of Australia - you will have to have an "appropriate degree".

This has been hailed as a long overdue change that will finally bring financial planners into line with other professionals such as accountants and lawyers.

The association, determined to weed out the unprofessional practices that have for years dogged the industry, last year decided to outsource its entry-level diploma courses to two private training organisations, the Securities Institute and Tribeca, to concentrate on becoming an accreditation body.

Meanwhile, the association says its policy of raising the training bar seems to be working.

An FPAA spokeswoman, Susan Grice, said member numbers in the top category of CFP had been steadily rising, from 4970 in mid-2003 to 5413 in mid-2004.

One advantage of having a CFP is that it increases the prospect of transferring to a job overseas. Although the qualification is not a globally recognised standard, it is recognised in 17 countries.

However, the vast majority of financial planners still meet only basic training requirements.

Hugh Morris, the director of graduate financial services studies at the University of Technology, Sydney, pointed out that the door had been left open for lesser qualified financial planners to do a basic diploma course (four months in some cases) with a registered training provider and still receive a licence to practise from the corporate regulator, the Australian Securities and Investments Commission.

"The structural problem remains that ASIC's training policy (PS146) allows a spectrum of training, which means that the vast majority of licence holders are not, and will not be, university graduates," Mr Morris said.

"In other words, why do three years of purgatory when you can do 18 months at TAFE?"

The Association of Superannuation Funds of Australia, which as a registered training organisation offers a diploma and advanced diploma of financial services (superannuation), admitted that its courses needed to be extended beyond basic super to take account of the many new areas in which members were giving advice.

That is why, said the association's manager, education, Paul O'Brien, the association was "looking at expanding a range of courses into financial planning next year".

"Most financial planners are not required to have a degree, but in today's climate the designation to get is a certified financial planner, because it's a higher level," he said.

"Super is a major part [of this area] and there's a definite need for people working in super to advise across many areas, such as insurance and investment."

Just a few universities offer postgraduate programs. One of them is RMIT, the first university to start an undergraduate program and, in 2000, a master's in financial planning.

The program director of the master of financial planning, Terry Hallahan, said he fielded constant calls from firms looking for experienced financial planners.

"Now that the baby boomers need more sophisticated advice to handle their investments, the course needs a sharper focus on retirement income, trusts, super, insurance and estate planning," he said.

UTS offers a master of business in financial services with majors in financial planning or insurance and is accredited by the Australian Insurance Institute and the Australian Association of Insurance Accountants.

"The focus of most universities has been on institutional products and what company employees need to know, but with the financial services reforms we are expanding our base to include personal wealth risk and to focus on the risks involved in advising clients about a financial product," Mr Morris said.

Some universities are also turning their attention to wealth management as a subject in its own right.

The University of Queensland and the University of Adelaide are seriously considering offering wealth management as a separate stream in its own right because of latent demand.