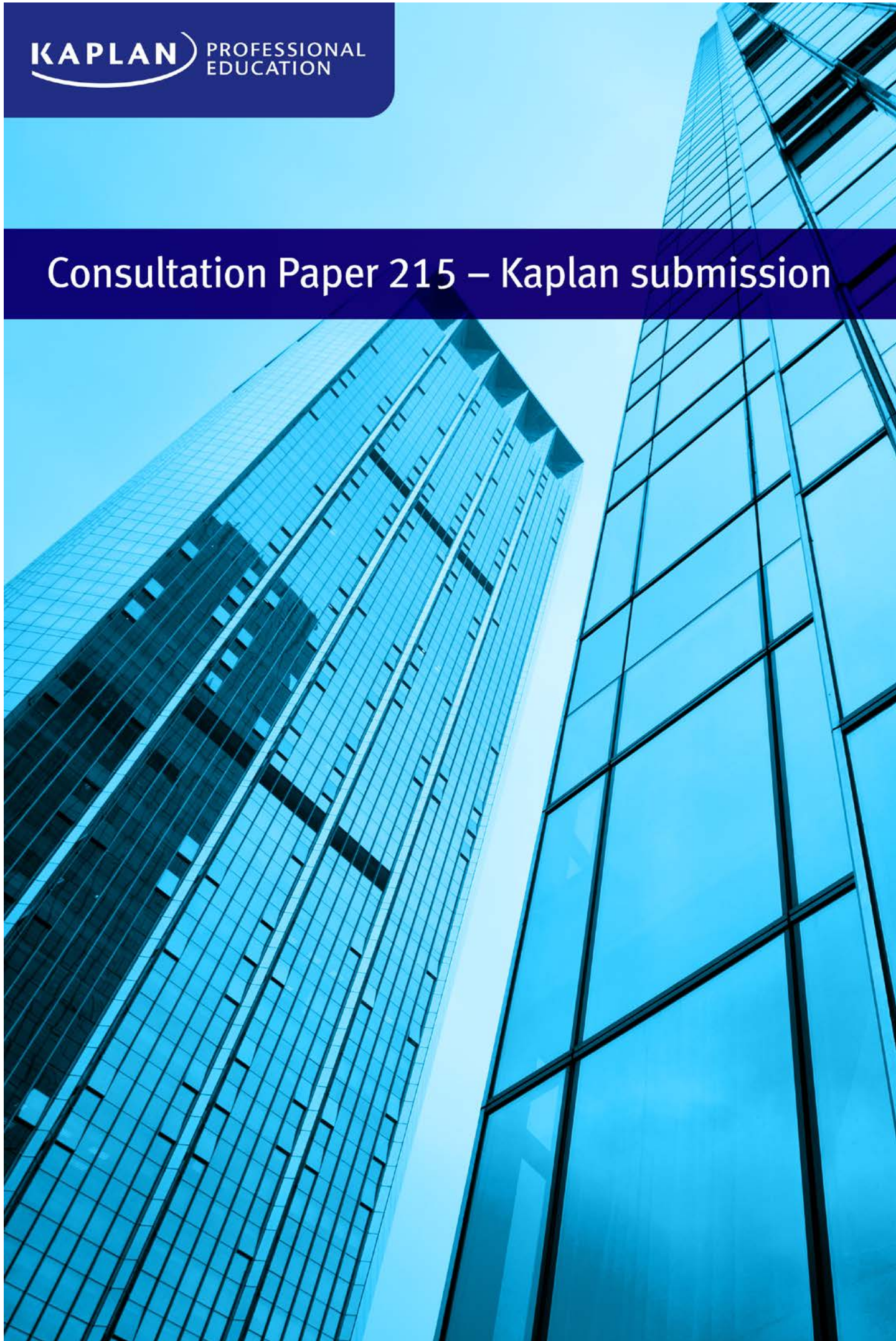


Consultation Paper 215 – Kaplan submission





30 September 2013

Kaplan Professional Education
Level 4, 45 Clarence Street
Sydney

Dear Nicole Chew

Re: Consultation Paper 215 – Kaplan submission

Please find attached the Kaplan Professional Education submission in response to ASIC's Consultation Paper 215: Assessment and approval of training courses for financial product advisers: Update to RG 146.

This submission should not be treated as confidential and Kaplan welcomes the opportunity to discuss any of the points raised in greater detail.

Regards

Brian Knight

CEO, Kaplan Professional Education

B1 We propose to:

(a) replace the ASIC Training Register with draft [CO 14/XX] to permit:

- (i) RTOs and SAOs to self-assess their own courses as authorised assessors; and**
- (ii) RTOs, SAOs and professional or industry associations accredited by ASIC to assess courses delivered by other training course providers; and**

(b) retain an archived ASIC Training Register as a reference tool for AFS licensees and advisers who have completed courses that were on the ASIC Training Register on 24 September 2012.

<i>Question</i>	<i>Kaplan's response</i>
<p>B1Q1 - Do you agree with our proposal to replace the ASIC Training Register with draft [CO 14/XX] If not, why not?</p>	<p>Kaplan agrees with ASIC's proposal to allow RTOs and higher education providers to self assess their own courses against the requirements set out for each knowledge area and skills under RG146.</p> <p>It is Kaplan's view that having a course listed on the ASIC register did not include any assessment that guaranteed the quality of training. There were courses listed on the register that, in Kaplan's opinion, were not of sufficient depth or quality yet a student completing the course was considered compliant under RG146.</p> <p>The removal of the register will place the onus on licensees to not just rely on courses because they are on the training register. It is Kaplan's view that a significant majority of licensees are already well aware that an investment in quality initial training of their new advisers will result in more cost effective outcomes for their businesses.</p> <p>They are becoming more aware of which courses are rigorous and effective in preparing advisers for their roles and which ones are superficial and not assessed at an appropriate level.</p>
<p>B1Q2 - Do you agree that we should retain an archived ASIC Training Register as a reference tool? If not, why not?</p>	<p>Yes, Kaplan believes that an archived copy of the ASIC training register is useful as a reference tool as to what RG146 areas were covered by a course up until September 2012.</p>
<p>B1Q3 - Do you consider that the proposal to replace the ASIC Training Register with draft [CO 14/XX] will impose additional costs on advisers, AFS licensees, training course providers or others? Please provide specific details.</p>	<p>Kaplan believes that the Recognition of Prior Learning (RPL), process will become more challenging as education providers will need to determine that they are satisfied that the course adequately meets the requirements set out under FNS10 and RG146. This will probably increase the costs and time involved in assessing RPL applications resulting in a likely flow-on effect in terms of costs to advisers or AFS licensees.</p>

B1Q4 - Do you consider that the proposal to replace the ASIC Training Register with draft [CO 14/XX] will result in benefits for consumers, training course providers or others? Please provide details.

Kaplan feels that the majority of licensees, and in particular those licensees responsible for significant numbers of authorised representatives, are fully aware as to which training providers are teaching and assessing at sufficient depth and quality and will continue to use these providers. Kaplan has the view that other providers will be challenged to ensure they increase the quality of their courses as they will not be able to use the “listed on the ASIC training register” as a confirmation that they meet the requirements set out under FNS10 or RG146.

This will reduce the disparity between providers and the proportion of inappropriately trained advisers. Accordingly, consumers will also benefit through better trained advisers. (We note the relatedness of the subject matter of the proposals in CP 215 (adviser education standards) with other proposals within CP 212 and CP 153 and draft initiatives under TASA).

B2 We propose to provide guidance in an updated RG 146 on our expectation that authorised assessors will provide written certification to students of their assessment of training courses against the training standards in RG 146.

B2Q1 - Do you think that authorised assessors will provide this certification? If not, why not?

Whilst Kaplan supports the concept of authorised assessors, if this is the sole determinant of whether a provider’s course and assessment meets the training standards in RG146 then there remains some risk that those providing comparatively inadequate courses will continue to exist.

Although RTOs are considered authorised assessors as they have already undergone a registration process conducted either by a federal or state authority, and have the necessary units of competency from the FNS10 training package on their scope of registration, it is widely acknowledged that there is a wide disparity of quality between course providers.

Even though RTOs are regulated by the federal and state recognition authorities, these authorities do not assess an RTOs courseware and assessment for technical accuracy and depth.

As indicated in Question B1, Kaplan believes that the industry will self regulate in terms of licensees only using those providers that they believe have accredited courses at an appropriate in terms of course content and assessment rigour. They may seek independent assessment of the advisor or the course in instances where they have doubts or uncertainty.

<p>B2Q2 - What are other means by which AFS licensees could verify that training courses have been assessed by authorised assessors as meeting the training standards?</p>	<p>The provision of a new register assessing training courses against the training standards could be outsourced to an independent third party.</p> <p>Those education providers wishing to be listed would pay a fee as would perhaps licensees seeking the assessment. It would be in the best interests of training providers to have their courses independently assessed and listed on such a register.</p>
<p>B2Q3 - Do you consider that written certification will impose additional costs on AFS licensees, training course providers, advisers or consumers? If yes, please provide specific details on how this is calculated.</p>	<p>Kaplan believes that confirmation to students that the programs meet the training standard set out in RG146 should be conducted at 2 stages: initially, prior to the student making the enrolment decision (for example websites) and upon completion of the subject/qualification.</p> <p>If the training provider is the authorised assessor, and does not have to go to an independent third party to pay for confirmation of meeting the requirements, then Kaplan believes that only minor changes would need to be made to business processes.</p> <p>RTOs are already required to send students formal documentation, in the form of a statement of attainment or academic transcript outlining the units of competency that have been completed as part of the subject or qualification.</p>
<p>B2Q4 - Do you consider that written certification will benefit AFS licensees, training course providers, advisers or consumers? Please provide details.</p>	<p>Kaplan's view is that greater value will be placed on the written certification if standard wording is stipulated as necessary in the written certification which is in line with the requirements set out by ASIC in RG146. It would add a degree of credibility to the statement.</p> <p>Kaplan suggests that for the purposes of consistency and clarity that ASIC mandates the required wording.</p> <p>Kaplan seeks clarification as to when or how this written certification should occur, as this area is uncertain under the CP 215.</p>
<p>B3 We propose to:</p> <p>(a) remove the recognition of foreign qualifications, with the exception of our mutual recognition of New Zealand advisers, from an updated RG 146; and</p> <p>(b) revise our policy in RG 146 to acknowledge that advisers who hold a foreign qualification may apply for:</p> <p style="padding-left: 40px;">(i) recognition of prior learning in relation to Australian training courses for up to 50% of the course requirements; or</p> <p style="padding-left: 40px;">(ii) an exemption that permits an adviser who holds a foreign qualification to undergo an individual assessment without necessarily holding the requisite five of the past eight years experience outlined in RG 146.</p>	

<p>B3Q1 - Do you agree with our proposal to remove the recognition of foreign qualifications from RG 146? If not, why not?</p>	<p>Kaplan supports the ASIC proposal to remove the recognition of foreign qualifications. In our experience students who have studied overseas may have covered some of the concepts however there is a significant difference in many areas relating to legislation, taxation or roles of industry participants/bodies. The difference is such that we encourage applicants to study the subject rather than apply for recognition in the interests of operating effectively.</p>
<p>B3Q2 - Do you agree with our proposed policy change on foreign qualifications in proposal B3(b) to permit advisers to apply for recognition of prior learning or for an exemption from the experience requirement? If not, why not?</p>	<p>Kaplan does not support this proposal.. As a RTO Kaplan is required to offer students RPL options as alternative means of demonstrating knowledge and competency. It is the student’s responsibility to provide sufficient evidence to demonstrate that they have met the requirements of the unit of competency from formal education or experience. There should be no reason why RPL should not apply to students who obtain foreign qualifications.</p> <p>Kaplan questions the 50% cap on RPL, the purpose of RPL is to demonstrate that the student meets the requirements of the training provider’s course. Either the student meets the requirements of various elements of the course or not, if they do and it happens to be more than 50% of the elements are met there should not be a cap put on how much is therefore recognised. In reality it is unlikely that foreign qualified students will meet 50% of individual courses.</p> <p>Kaplan questions the approach in regards to B3b(ii) and why a student who has undertaken a foreign qualification would be eligible to complete an individual assessment without necessarily holding the requisite five out of the past eight years experience as a applies to others under RG146. For consistency Kaplan suggests that the same rule applies to all.</p>
<p>B3Q3 - Do you currently rely on the recognition of foreign qualifications in RG 146? If you are an AFS licensee, please provide details of the number of advisers who rely on this policy.</p>	<p>Not applicable</p>
<p>B3Q4 - Will training course providers provide recognition of prior learning in the manner proposed in proposal B3(b)(i)? Please provide details.</p>	<p>Refer to B3Q2.</p> <p>In Kaplan’s experience, the number of foreign students who could provide evidence that supports the full recognition against any of the knowledge areas of skills is negligible. Kaplan encourages applicants who have foreign qualifications (excluding from New Zealand) that due to the legislative and taxation environment they should study the subject and</p>

	complete the necessary assessments.
B3Q5 - Do you consider that this proposal will impose additional costs on AFS licensees, advisers or training course providers? Please provide details.	Kaplan does not believe that this will impose any additional costs that a student who has studied domestically and is applying to an RPL would have to pay.
B3Q6 - Do you consider that this proposal will benefit consumers by improving the quality of advice provided? Please provide details.	We believe that this proposal will improve the quality of advice across the industry and hence the consumer will benefit.
B4 We propose that draft [CO 14/XX] will commence in April 2014.	
B4Q1 - Do you agree with the proposed commencement date of April 2014? If not, why not?	<p>Kaplan notes that the updated RG146 is scheduled to be released in April 2014. Kaplan recommends that by delaying the commencement date to 1 January 2015 it will allow education providers sufficient time to ensure that all necessary systems and processes are in place.</p> <p>The training register was removed in September 2012 and licensees and training providers have already been able to operate in its absence.</p>
B4Q2 - Does the proposed commencement date provide enough time to provide written certification to students? Please provide details on the amount of time required to implement the certification requirement.	This timeframe itself does not present an issue in terms of providing the certification. However, this is subject, as per our response, to more clarification as to what is required in terms of accepted wording to ensure consistency and clarity and thus remove any ambiguity.