

## Personal financial planning education in Australian universities

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### Abstract

Personal financial planning in Australia is drawing interest from a wide range of groups including consumers, regulators, the financial services industry, accountants, and educators. This paper reflects on the development of the Australian financial planning industry, focusing on its historical background and the relevant regulatory environment. This article then provides a descriptive analysis of the availability of dedicated financial planning courses currently available in Australian universities at both undergraduate and postgraduate levels. The Australian findings suggest the existence of considerable research opportunities to study professionalism in financial planning and the fundamental role that education plays in this process. © 2006 Academy of Financial Services. All rights reserved.

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### 1. Introduction

To date no comprehensive academic study has been undertaken in Australia to determine the extent of available education courses in the relatively new but quickly growing industry of personal financial planning. This paper identifies and presents a descriptive analysis of the availability of dedicated financial planning courses currently available in Australian universities at undergraduate and postgraduate levels. Such courses offer students a clear, distinct

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and articulated career pathway towards future practice as a financial planner (Bennett, 2003). This article reflects on the Australian regulatory environment for financial planning and the development of financial planning as an industry, highlighting the fundamental role that education plays as the industry strives for professional recognition.

The emergence of specialist courses in financial planning at both undergraduate and postgraduate levels is a compelling indicator that academic institutions are now recognizing financial planning as a distinct discipline. This trend is further supported by the fact that the Australian Financial Planning Association (FPA) is effectively lifting the bar for education by requiring a Certified Financial Planner to be degree qualified from 2007 (Beaman, 2003). An undergraduate degree in financial planning will become the preferred and most direct pathway for entry to the CFP professional education course. Attaining the CFP designation will then depend upon completion of this educational component as well as satisfying a certification assessment examination, fulfilling relevant experience requirements and adhering to an industry code of ethics.

The paper is organized as follows. Section 2 outlines the significance of the research for a variety of user groups including students, dealers and consumers. The next section reflects on the development of the Australian financial planning industry, highlighting its historical background and providing an overview of the regulatory environment and the importance of education to its continuing development. Section 4 centers on the methodology used and the processes undertaken to acquire the data. Section 5 is an examination of the results and the final section provides a discussion of the issues raised and considers future directions for financial planning education and associated research.

## **2. Significance of the research**

This section of the paper concentrates on a variety of user groups who will benefit from this research. Prospective students, academics, dealers, consumers, regulators and professional bodies will be assisted in navigating the current financial planning educational landscape. By charting this landscape, the information in this study allows such user groups to view in one document the full array of financial planning courses available in Australia at both undergraduate and postgraduate levels.

Firstly, this research assists prospective students in selecting the most appropriate course for their particular need according to a variety of key course descriptors. Examples include institution, cost, mode of delivery, and more importantly, whether courses adhere to industry accreditation and compliance requirements.

Dealers too are able to benefit from this study as it highlights the current availability and range of existing higher education financial planning courses that will assist them in directing authorized representatives to the most appropriate course. The Financial Services Reform Act (2001), under section 916A or section 916B, imposes on licensees an obligation to ensure that authorized representatives who provide a financial service are adequately trained and meet minimum educational competencies as required by the Australian Securities and Investment Commission (ASIC) Policy Statement 146 (PS146) (ASIC, 2003a). Accordingly authorized representatives must meet these standards by satisfactorily completing approved

training courses relevant to the complexity of their activities and their client's needs. Such courses must adhere to relevant requirements for both knowledge and skills and be listed on the ASIC register of approved training courses at either the higher Tier 1 level or at Tier 2.

The characteristics of a Tier 1 course are broadly equivalent to what is described as the "Diploma" level in the 2005 Australian Qualifications Framework (AQF). The AQF is the policy framework that defines all qualifications recognized nationally in post-compulsory education and training within Australia. The AQF comprises 13 titles (ranging from Certificate I to Doctoral degree) and guidelines which define each qualification together with principles and protocols covering articulation and issuance of qualifications. The framework provides the criteria for all vocational qualifications issued by Colleges of Training and Further Education (the Australian equivalent of U.S. community colleges), universities and approved private education and training providers. Alternatively Tier 2 courses are broadly equivalent to "Certificate III" in the AQF (2005).

It is interesting to note that Lin and Lee (2004) report that there has been an increasing demand in the United States over the past decade for investment information from consumers who are potential investors. Australian consumers similarly are also in need of both quality information and personal financial planning advice. This is evidenced by the high level of public prominence associated with the recent ASIC (2003b) research report jointly undertaken with the Australian Consumers Association which focuses on the quality of financial planning advice. This report highlights the intense level of consumer and public interest in the financial planning industry and the planners who give that advice. A key objective of the report was to assess the performance of the financial planning market place by scoring the standard of written advice. As noted by Collier (2003) the report demonstrates how important it is for consumers to be equipped with the relevant knowledge as to what financial planning can potentially provide for them before they select a financial planner. Overall the quality of advice was considered disappointing with many poor financial plans. The results indicated deficiencies were evident within the financial planning industry, specifically in relation to the skill level of planners, their company processes and remuneration issues.

Collier (2003) also notes that, in relation to the quality of financial planning advice,

"... over a quarter of the plans failed and a quarter of them were 'borderline.' Therefore, slightly less than half the planners provided a financial plan which was clearly judged to be acceptable according to the criteria of measurement against good practice standards and the consumer's request for a comprehensive financial plan."

The results also indicate that planners with higher-level educational qualifications have slightly higher scores on average. Certified Practising Accountants and CFPs have higher average scores than those with no additional educational qualifications (ASIC, 2003b). In essence what this reports highlights is that from a consumer perspective quality of the financial planner and their advice is perceived to be an important and central issue. Consumers seek out and value those planners possessing recognized higher-level financial planning qualifications such as a university degree.

The possession of a university degree is a widely recognized and respected credential with graduates viewed as both legitimizing and enhancing the professional credibility of a particular industry. Today's consumers face a plethora of financial information and an

increasing variety of intrinsically complex financial planning options. Therefore it is imperative that the financial planning industry, relevant professional bodies and academic institutions focus their attention on raising educational standards (Warschauer, 2002). All three must show educational commitment not only to financial planners but also to the continued development and enhancement of relevant educational courses. Without this consumer confidence in the financial planning industry may be seriously undermined and eroded.

### 3. Historical perspectives

The origins of financial planning in Australia emerged in the early 1980s. Financial planners as we know them today did not exist, as there was no facility within the marketplace able to provide clients with comprehensive financial planning advice. Rather what did exist was a network of insurance (investment) advisors with their associated referral network of related specialists including accountants, bankers and brokers. Limited investment products existed at that time with most products tending to be insurance driven. However, in their relationships with clients, advisers at that time realized that a client's needs and general financial wellbeing extended to many other areas, far beyond the individual insurance product being sold and promoted. The provision of advice was fragmented and consequently for a specific type of financial advice clients would be directed to an individual specialist in a particular area. For example if a client wanted to acquire shares they would be referred to a broker, for taxation issues to an accountant/tax agent, for estate planning and succession issues to a lawyer and so on. Insurance advisors were in effect the first generation of financial planners. They essentially pioneered the planning process in Australia, as it required them to identify the needs and goals of their clients *before* evaluating an array of relevant financial products. These early financial planning professionals were self-taught, with most having no specific formal education in financial planning.

In the early 1980s, a leading Australian financial planning industry stalwart Gwen Fletcher visited the United States intent on pursuing discussions with the U.S. industry association, the International Association for Financial Planning (IAFP). These discussions related to the creation of either a new industry body for Australia or the establishment of an affiliated chapter of the IAFP. At a later meeting of dealers conducted by the Department of Corporate Affairs (the then-regulatory body issuing licenses to dealers of securities), the affiliation model was proposed but rejected. However, a new industry body consisting of an elite group of independent advisors was formed, the Association of Independent Professional Advisors (AIPA). It is important to note that this group excluded all banks and insurance companies from membership.

Fletcher continued to persevere and agitate for the desired affiliation model perceiving it to be an inclusive model open to all participants of the industry. With this model clearly in mind and with her already established links to the United States professional body Fletcher organized for Australia to host the first ever IAFP World Conference in late 1982 and in 1984 Australia's IAFP was officially launched. The IAFP in Australia was to be an open forum for individuals, dealers and fund managers alike. Following U.S. IAFP requirements, the newly formed Australian association sought and was granted a license for the CFP designation and

subsequently established the Diploma of Financial Planning (DFP) course. This necessitated strong collaboration between the United States and Australian bodies with the College of Financial Planning in the United States providing much of the DFP educational materials and resources. The US IAFP oversaw and closely monitored the development of educational standards to ensure that the Australian DFP met the educational requirements for the CFP designation. This involved an ongoing process of quality assurance by the U.S. body.

In the late 1980s, the “other” already formed body the AIPA was conscious that many practitioners held membership in both the AIPA and Australian IAFP. Given the exclusivity of its membership the AIPA acknowledged that for its association to survive it needed to broaden its membership base to include individual members. It subsequently did so and changed its name in the process to the Australian Society for Investment and Financial Advisors, but it did not have the financial heavy weight status of the banks and life insurance companies supporting it as did the Australian IAFP. In 1992, both bodies amalgamated to form the Australian FPA and, as Fletcher stated,

“The foundation of financial planning was finally laid. Public awareness grew with the introduction of the FPA initiatives like Financial Planning Week, which started in the 1990s. For the first time, financial planning was brought to the public (Bennett, 2000).”

Educational courses have always been crucial to the development of the Australian financial planning industry, equipping planners with the requisite knowledge and skills to practice financial planning. Cognizant of this in early 1996 the Australian FPA commissioned an internally generated report (Birkett Report) that identified the essential areas of competency a financial planner would require to be considered professionally competent. Although this report was based on practical competencies it was also the basis against which educational courses were to be measured for CFP accreditation purposes. At that time CFP status was conferred on an advisor who successfully completed DFP modules 1 to 8, passed the practice knowledge examination and who satisfied the experience requirement. This accreditation process directly paralleled the U.S. model, as it was essential that the FPA in Australia used the same model as its U.S. counterpart to ensure that it maintained its licensing requirements for the CFP designation.

In the mid 1990s, Australian universities entered the financial planning education landscape initiating the development and delivery of financial planning courses. At that time only two universities participated in this market, the University of Western Sydney (UWS) and the Royal Melbourne Institute of Technology (RMIT) where such courses were only available in a face to face mode of delivery. Instrumental to the development of these courses were academics Professor Roger Juchau, Dean of UWS Faculty of Management and Michael Clemens academic administrator RMIT. The development of these courses necessitated adherence to CFP Board of Standards requirements encompassing 169 knowledge areas. Additionally for Australian universities to be able to deliver financial planning courses that were accredited with the FPA they had to prove equivalency with the DFP as well as satisfy all the Birkett competencies. The requirement for FPA accreditation was maintained until the introduction of the CFP professional education course in 1999.

The design and development of the Australian CFP course began in 1997 when the FPA recognized that the regulator (ASIC) had taken a position intent on raising educational

standards within the financial planning industry. The FPA's preference for self-regulation led to the development of the CFP education course. The educational component of the CFP designation was now set at postgraduate level and represented a distinct lifting of the educational bar for financial planners. As such, this required students to have an appropriate educational pathway for entry to the CFP course.

With the introduction of the Financial Services Reform Act in 2002 and the consequent amendments to the Corporations Act (2001) ASIC released PS146 incorporating a completely new set of work-based competencies for financial planning. PS146 requires all authorized representatives (of licensees) to satisfy minimum educational competencies. All courses (including University courses) must now address the new set of competencies, be assessed and apply to be placed on the ASIC training register of PS146 compliant courses. As a result a new minimum benchmark for all financial planning educational course providers in Australia has been established. This means that for the first time universities must incorporate and demonstrate both knowledge *and* skills requirements to meet these competencies. Advisers providing personal financial advice are now required to demonstrate knowledge at either the generic or specialist level, and the application of appropriate skills to their activities. These skills will vary according to the activities undertaken (ASIC, 2004).

#### 4. Methodology

The analysis was limited to identifying all dedicated financial planning courses currently available at universities throughout Australia. This involved a search for courses at both the undergraduate and postgraduate level and did not include the identification of single units in financial planning or units in related specialized areas of financial planning services.

A logical place to commence the data collection process was a search of the ASIC training register for PS146 compliant courses. This multistep process required accessing the ASIC home page and navigating through the following steps to obtain a list of university providers of financial planning courses:

- ASIC Training Register
- Select the option—'search the register'
- Select the option—'course name'

An alphabetically arranged list of both academic and commercial private providers was displayed from which individual university providers were then systematically extracted. A subsequent list of registered postgraduate courses, undergraduate courses and individual units for that institution was displayed. From this list all universities delivering *postgraduate* financial planning courses were extracted and analyzed. Courses included Masters, Graduate Certificate, and Graduate Diploma level courses. All Masters level courses from the list are included in Table 1 and are listed alphabetically by name of institution. Table 2 (also listed alphabetically by name of institution) includes "other" postgraduate courses, namely Graduate Certificates and Graduate Diplomas.

A detailed search of each provider university's web site was then undertaken. University web addresses are provided in the reference list to facilitate access and updating of infor-

Table 1 Masters courses in financial planning

Institution	Course	Course code	No. of units	Cost AUD	Duration	Entry	Delivery mode	ASIC PS146	Pathway to CFP
Curtin University of Technology Deakin University	Master of Financial Planning	301153	12	16,800	1.5 years FT or 3 years PT	Bachelors Degree	On campus + external units	Tier 1	Education course
	Master of Commerce	M705	12 (4 unit FP specialization)	21,600	1.5 years FT or 3 years PT	Bachelors Degree or equivalent	On campus + external	Depends on choice of units	Certification assessment
	MBA	M701	12, 4 electives (with FP specialization)	21,600	1.5 years FT or 3 years PT	Bachelors Degree + 2 years min work experience	On campus + external	3 units out of the four Financial Planning specialization units	Certification Assessment
Griffith University	CFP MBA	M704	12 (4 units advanced standing for CFP)	14,400	1.5 years FT or 3 years PT	Bachelors Degree + 2 years min work + FPA/CFP requirements	On campus + external	Tier 1	Education course
	Master of Financial Planning	5346	8	8,320	1 year FT or 2 years PT	Bachelors Business Degree or equivalent	On campus	Tier 1	Certification Assessment
	Master of Financial Planning (Honours)	5347	12	12,480	2 years FT or 4 years PT	Master of Financial Planning with a GPA > 5.5	On campus	Tier 1	Certification Assessment
RMIT	MBA (Financial Planning Specialisation)	5158	12	21,000	1.5 years FT or 3 years PT	Bachelor Degrees and 2 years experience	On campus		Education course
	Master of Financial Planning	MC093	10(144 credit points)	14,400	2 years FT or 4 years PT	Bachelors Degree + 2 years work experience	External	Tier 1	
	Master of Financial Planning includes CFP units	MC093	7 financial planning units plus 4 CFP	10,800 plus 3,400 (CFP members) or 4,200 (non-members)	2 years FT or 4 years PT	Bachelors Degree + 2 years work experience	External	Tier 1	
University of Southern Queensland	Master of Personal Financial Planning	MPPFP	12	12,780	3 years FT or 6 years PT	Bachelors Degree or equivalent	On campus + external	Tier 1	Education course
	MBA (Personal Financial Planning)	MBA(PFP)	12 include 4 FP specialization units	12,780	3 years FT or 6 years PT	Bachelors Degree or equivalent + 2 years work experience	On campus + external		
	Master of Financial Planning	MFinPlan	12	15,000	1 year FT or 2 years PT	Bachelors Degree or Diploma or equivalent	Online	Tier 1	Certification Assessment
University of Technology, Sydney	Master of Business in Financial Services (Financial Planning)	C04051	12	24,000	1.5 years FT or 3 years PT	Bachelors Degree, or other higher education institution + 2 years relevant work experience	On campus	Tier 1	
	Master of Commerce (Financial Planning)	2671	8	12,800	1 year FT or 2 years PT	Bachelors Degree or UWS Course 2690 (see Table 2 below)	External plus limited on campus	Tier 1	Certification Assessment
University of Applied Finance	Master of Applied Finance	2706	10	14,000	1 year FT or 2 years PT	Bachelors Degree or Graduate Certificate in Applied Finance	On campus	Tier 1	

Note: FT = full-time study; PT = part-time study; GPA = grade point average. The exchange rate for the Australian dollar (AUD) as of October 26, 2005 was 0.75 U.S. dollar (USD).

Table 2 Other postgraduate courses in financial planning

Institution	Course	Course code	No. of units	Cost AUD	Duration	Entry	Delivery mode	ASIC PSI46	Pathway to CFP
Griffith University	Graduate Certificate in Financial Planning	3123	4	4,160	1 year PT	Business degree	On campus	Tier 1	
Monash	Graduate Certificate in Financial Planning	2579	4	7,260	1 year FT or 2 years PT	Bachelors degree/equivalent	On campus		
RMIT	Graduate Diploma in Financial Planning	GD082	7	9,600	1 year FT	Undergraduate degree/equivalent + 2 years work experience	External	Tier 1	
University of Canberra	Graduate Certificate in Financial Planning	598AA	3	4,020	1 semester FT or 1 year PT	Undergraduate degree/approved industry experience	On campus	Tier 1	
	Graduate Diploma in Financial Planning	599AA	6	8,040	1 year FT or 2 years PT	Undergraduate degree/approved industry experience	On campus	Tier 1	
University of Southern Queensland	Postgraduate Certificate in Personal Financial Planning	PCFP	4	4,260	1 year FT or 2 years PT	Undergraduate degree/equivalent or approved industry experience	External	Tier 1	
	Postgraduate Diploma in Personal Financial Planning	PGFP	8	8,520	1 year min or 4 years max	Undergraduate degree/equivalent	External	Tier 1	Education course
University of Sunshine Coast	Graduate Certificate in Financial Planning	BU511	4	5,000	1 semester FT or 1 year PT	Undergraduate degree/equivalent or approved industry experience	Online	Tier 1	
	Graduate Diploma in Financial Planning	BU611	8	10,000	1 year to 4 years	Undergraduate degree/equivalent or approved industry experience	Online	Tier 1	Education course
University of Technology, Sydney	Graduate Certificate in Financial Planning	C11032	5 (24 credit points)	8,000	1 semester FT or 1 year PT	Undergraduate degree, or equivalent and minimum 2 years work experience	On Campus		
	Graduate Diploma in Financial Planning	C06016	9 (48 credit points)	16,000	1 year FT or 2 years PT	Undergraduate degree, or equivalent and minimum 2 years work experience	On campus		
University of Western Sydney	Graduate Certificate in Commerce (Financial Planning)	2690	4	5,600	1 semester FT or 1 year PT	3 years relevant industry experience and/or acceptable tertiary/industry qualifications	External		

Note: FT = full-time study; PT = part-time study. The exchange rate for the Australian dollar (AUD) as at 26 October 2005 was 0.75 U.S. Dollar (USD).



mation over time. Information was collected on course, course code, required number of units to be completed, total cost of course, duration of course, entry requirements, mode of delivery for the course, PS146 compliance and FPA accreditation in relation to pathway status to either the CFP education course or the CFP Certification Assessment course. In most cases, ascertaining a university's FPA accreditation status involved searching the FPA web site, contacting FPA liaison officers, university coordinators and advisors to seek clarification as to whether a particular postgraduate course met the FPA requirements for accreditation.

This process was then repeated for undergraduate courses. The information collected appears alphabetically by institution in Table 3. The relevant data includes course, course code, number of units, duration, mode of delivery, PS146 compliance and pathway to CFP. Data in relation to cost was not collected as the Higher Education Support Act (2003) accounts for variation in cost and access for pre- and post-2005 fee paying and Commonwealth-supported students across Australian tertiary institutions. A detailed search was then undertaken of the remaining Australian universities not listed on the ASIC register to determine if financial planning courses were available at those institutions. The method employed to obtain this information was via Web and phone contact.

## 5. Analysis

### 5.1. *Masters level courses in financial planning*

The investigation found eight universities providing 15 postgraduate masters courses. Seven courses are designated as Master of Financial Planning, four as Master of Business Administration (MBA) courses with financial planning specialization, two as Master of Commerce, one as Master of Applied Finance and one as Master of Business in Financial Services. Seven of the eight universities are located on the eastern seaboard of Australia; on a state wide basis three being in Queensland, two in New South Wales (NSW) and two in Victoria. The eighth university is located in the state of Western Australia.

The number of units required for each masters course ranges from 7 to 12 units with the mode 12 and the average 11 units. All courses are full fee paying but there is the option of utilizing the Postgraduate Education Loans Scheme. Cost of individual courses range from AUD 24,000 (USD 18,000) down to AUD 8,320 (USD 6,240) with average cost AUD 15,797 (USD 11,848).

In relation to mode of delivery, students may choose to undertake courses face to face (on campus), externally or online. A statewide break up yields the following information. Within Queensland, three courses are offered in face to face mode only, two by face-to-face or external delivery and one dedicated course delivered online. In Victoria, three courses are delivered in face to face or external mode and two are offered by external delivery only. In NSW, two courses are available face to face and one available in face-to-face or external mode. The lone offering in Western Australia is a combination of face-to-face and selected external units.

In relation to PS146 compliance, 11 courses were classified as Tier 1. In two other courses,

Table 3 Undergraduate university courses in financial planning

Institution	Course	Course code	No. of units	Duration	Delivery mode	ASIC PS146	Pathway to CFP
Curtin University of Technology	Bachelor of Commerce (Financial Planning Major)	300959	24	3 years FT or 6 years PT	On campus	Tier 1	Education course
	Bachelor of Commerce (Accounting and Financial Planning Double Major)	305274	24	3 years FT or 6 years PT	On campus		Education course
	Bachelor of Commerce (Economics and Financial Planning Double Major)	234807	24	3 years FT or 6 years PT	On campus	Tier 1	Education course
Deakin University	Bachelor of Commerce (Financial Planning Major)	M300	24	3 years FT or 6 years PT	On campus and external	Tier 1	Education course
Griffith University	Bachelor of Commerce in Financial Planning and Investments	1001	24	3 years FT or 6 years PT	On campus	Tier 1	Education course
Macquarie University	Bachelor of Applied Finance	V1003	22 - 24	3 years FT or 6 years PT	On campus	Tier 1	
RMIT	Bachelor of Business (Financial Planning)	BP135	24	3 years FT or 6 years PT + 1 year industry placement	External	Tier 1	
University of Canberra	Bachelor of Commerce in Accounting	345AA	20	3 years FT or 6 years PT	On campus	Tier 1	
	Bachelor of Commerce in Banking and Finance	395AA	20	3 years FT or 6 years PT	On campus	Tier 1	
University of Western Sydney	Bachelor of Business (Applied Finance—major in Financial Planning)	2505	24	3 years FT or 6 years PT	On campus	Tier 1	Education course
	Bachelor of Business (Accounting—major in Financial Planning)	2507	24	3 years FT or 6 years PT	On campus		
University of Technology Sydney	Bachelor of Business (Financial Planning major)	C10026 C10027	24	3 years FT or 6 years PT	On campus	Tier 1	
University of Wollongong	Bachelor of Commerce (Financial Planning)	710 (C-71 major)	24	3 years FT or 6 years PT	On campus	Tier 1	Education course

Note: FT = full-time study; PT = part-time study.

PS146 compliance was dependent on choice of particular units and notably two MBA courses were not Tier 1 compliant. It is important to note that:

“ASIC has warned that ignorance is no defense for holders of Australian Financial Services Licenses (AFSLs) who fail to ensure training courses undertaken are sanctioned on the regulator’s training register and count towards PS146. According to ASIC Executive Director of Financial Services Regulation Ian Johnston, AFSL holders should not assume an education provider that is a university or a registered training organization will automatically be accredited to provide courses as approved by ASIC (Evans, 2004).”

For FPA accreditation purposes, three courses provide a pathway to the CFP education course and six to the CFP certification assessment. To verify this data telephone interviews were conducted with both university and FPA personnel. It was apparent that a degree of disparity and confusion existed between the FPA’s understanding and the interpretation by several universities as to the requirements for, and their status as an accredited course. To complicate matters even more the FPA is currently reviewing its accreditation requirements for all courses. In light of this apparent confusion prospective students should ensure that they carefully crosscheck both the relevant education provider and FPA accreditation status before selection of course.

### *5.2. Other postgraduate courses in financial planning*

Eight universities offered 12 courses in total. These universities were located on the eastern seaboard of Australia, with three in Queensland, two in both Victoria and NSW and one in the Australian Capital Territory (ACT). Of the 12 courses seven were designated as Graduate Certificates in Financial Planning, while the other five were Graduate Diplomas in Financial Planning.

Costs for Graduate Certificate courses range from AUD 8,000 (USD 6,000) down to AUD 4,020 (USD 3,015) with the average cost being AUD 5,471 (USD 4,103). Both the average and modal number of units for these courses was four. Two courses are offered externally, four by face-to-face delivery and only one online. Costs for the Graduate Diploma courses range from AUD 16,000 (USD 12,000) down to AUD 8,040 (USD 6,030) with the average cost being AUD 10,432 (USD 7,824). The average number of units required was 7.6 while the modal number of units was 8. In regard to the method of delivery, courses varied from two being offered by face-to-face delivery, two externally, and again only one dedicated online course.

A variety of entry requirements exist ranging from possession of an undergraduate degree or its equivalent, to relevant industry experience or qualifications. Given that many practicing financial planners do not possess an undergraduate degree courses such as Graduate Certificates and Graduate Diplomas are particularly attractive. Such courses are usually embedded or nested within a corresponding masters course allowing students to complete that course and then articulate into the relevant masters course. Of the 12 other postgraduate courses found eight meet requirements for Tier 1 PS146 compliance and only two are approved pathways to the CFP professional education course.

### 5.3. Undergraduate courses in financial planning

Data indicates that there are 13 courses available that are offered nationally by nine universities. These include four universities in NSW, one in the ACT, two in Victoria, one in Queensland and one in Western Australia.

The number of units range from 20 to 24 with the mode being 24. In relation to the delivery method for the 13 courses, 11 are delivered on campus, one is available via external mode and the other provides students with a choice of either face to face or external delivery.

Of the courses identified in Table 3 no university offers a Bachelor of Financial Planning. Alternatively what is offered is a Bachelor of Commerce, a Bachelor of Applied Finance or a Bachelor of Business, all with a financial planning major embedded within that course. PS146 compliance requirements for Tier 1 courses are currently met by 11 of the 13 courses. Similarly seven meet accreditation requirements for pathway to the CFP professional education course.

Interestingly, only one Australian university (RMIT) offers an undergraduate course requiring students to undertake an industry placement for one year. Similarly, Eysell (1999) also notes that only a relatively small number of American college and university courses explicitly offered students the opportunity for the same type of “hands-on” experience. Courses of this type offering experiential learning really do bring the real world into the classroom and allow students to often interact with real clients in a carefully designed and monitored educational environment. Students are able to focus on and appreciate the central importance of the client-planner relationship, significantly adding to their own knowledge and reinforcing what they have previously learned. Additional benefits would appear to be that such innovative and creative courses foster and enhance closer relationships between educational institutions, financial planning practitioners and business communities (Morrow, 2000).

## 6. Discussion

This study makes a positive contribution to the emerging financial planning literature from an Australian perspective and provides an important resource for a wide variety of interest groups. The analysis that is presented in tabular form is readily understandable and provides a comprehensive snapshot of undergraduate and postgraduate financial planning offerings available in Australian universities.

In Australia financial planning education at the postgraduate and undergraduate levels has grown steadily since 1995 when only two courses were offered, one in NSW at postgraduate level and the other in Victoria at undergraduate level. As no other universities provided financial planning education at that time these courses were further developed to include more flexible modes of delivery that enabled them to more readily service the market nationally. As can be seen from the information gathered in less than a decade there has been a significant increase in not only the number of Australian universities offering such courses but also in the diversity of locations available and in the mode of delivery. In the past universities have tended to concentrate their efforts in developing financial planning courses

at the postgraduate, fee paying level and it is only recently that they have embarked on designing, developing and delivering courses at the undergraduate level. This compares with the U.S. experience, where Goetz, Tombs, and Hampton (2005) also emphasize that the number of American colleges and universities offering programs in personal financial planning is also growing. They have identified a significant increase in the development of college and university courses from 20 in 1987 to 191 in 2005.

In Australia of the 38 publicly funded universities 12 offer dedicated financial planning courses. Notably, only one of these 12 is a member of the established 'Group of Eight.' This group represents Australia's leading universities and consists of the vice-chancellors (presidents) of: The University of Adelaide, The Australian National University, The University of Melbourne, Monash University, The University of New South Wales, The University of Queensland, The University of Sydney, and The University of Western Australia. The other 11 universities delivering financial planning courses are all 'younger' universities established after 1960.

As a result of this research the question arises as to why the 'younger,' more newly established, universities are providing the majority of financial planning education. A corollary to this question is why the older established universities have not participated in the provision of financial planning education. Possible reasons accounting for this may be because of issues relating to funding, resource pressures and the lack of availability of in-house academic expertise across a wide variety of related disciplines such as law, accounting, finance, insurance, banking, and economics. Another difficulty currently facing Australian universities is the need to ensure that any financial planning courses developed must meet the needs of several professional bodies and that such courses must adhere to benchmark competencies as prescribed by the Australian regulatory environment. More importantly, given the 2007 CFP requirement for degree qualification the question also arises as to how universities will meet the potential demand associated with this situation. Such issues and questions highlight the crucial need for further research into the provision of personal financial planning education in Australia.

When viewed from an historical perspective the development of financial planning education in Australia has closely paralleled the U.S. educational model. A notable exception to this, however, is in regard to the role played by the Australian regulator (ASIC) in developing benchmark competencies that all financial planners must satisfy. While most courses investigated did satisfy requirements for placement on the ASIC training register it was still apparent that confusion existed in relation to whether courses were compliant for both knowledge areas *and* skills requirements. Several Australian universities currently use the phrase "full ASIC compliance," but readers are often unclear as to whether this indicates compliance with both knowledge areas *and* skills requirements or simply knowledge areas alone. Other institutions correctly make the distinction regarding what is necessary for compliance with specific knowledge areas *and* specific skills requirements. It appears that there is an innate problem with the ASIC training register in regards to the interpretation of this distinction and this problem needs to be addressed by the corporate regulator.

A further point to note is that completion of an undergraduate degree has not been the typical entry path for most practicing financial planners in Australia. However, it is logical to foresee that financial planning education is now entering into a new era where entrants to

the profession will come principally from undergraduate courses. This will assist in replenishing the financial planning profession with new members with university educational qualifications (Warschauer, 2002). The CFP Board also acknowledges that education is the cornerstone of the financial planning profession (Pahl, 1996) and as such an undergraduate degree will be recognized as a key criterion for entry to the financial planning industry. This is consistent with the FPA's educational philosophy that from 2007 all entrants to the CFP education program will require an undergraduate qualification in financial planning.

Warschauer (2002) emphasizes the role that universities must play in the development of the financial planning profession. He concludes that their contribution is in creating decision models, through research; in disseminating that research in a way that is meaningful to practitioners; in helping the profession define the domain of the field and evaluating it from a cognitive level; and to provide educated and client dedicated planners to provide competent advice to their clients. This is equally as important in the Australian context.

This research has placed the spotlight on financial planning education in Australian universities and the continuing role of universities in the provision of personal financial planning courses for the ongoing development of the profession. This preliminary study demonstrates potential for further research in this expanding field and may include an analysis of the skills and knowledge requirements for individual financial planning units and the fundamental role that education plays in this process.

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