



**The Hon Stephen Jones MP**  
**Assistant Treasurer and Minister for Financial Services**

## **MEDIA RELEASE**

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### **ALBANESE GOVERNMENT CREATING A BETTER PATHWAY FOR FINANCIAL ADVISERS**

The Albanese Government is rebuilding a strong and sustainable financial advice industry that ensures Australians can access high quality and affordable financial advice.

The advice industry was abandoned and decimated by the former Coalition government, as the number of advisers fell from 28,000 in January 2019 to less than 16,000.

The Government will reform the education requirements for professional financial advisers to create a sustainable pathway for new advisers to enter the profession.

Currently, the professional pathway for financial advisers is composed of four requirements:

- completion of an approved qualification, with the list of approved qualifications limited to those focused specifically on financial advice;
- a 1,600 hour professional year;
- completion of the financial adviser exam; and
- continuing professional education.

The current education pathway is not sustainable. School leavers are not attracted to the specialised area of study, and it is a significant investment for career changers. Fewer Higher Education Providers are offering courses due to the lack of entrants.

Under the Government's changes, the proposed education standard will centre around a new requirement to hold a bachelor's degree or higher in any discipline.

Prospective advisers will need to meet minimum study requirements in relevant financial concepts such as finance, economics or accounting. They will also need to complete

financial advice subjects covering ethics, legal and regulatory obligations, consumer behaviour and the financial advice process.

This provides relevant core knowledge for an adviser, streamlines entry into the industry and retains the important role of tertiary education.

It will also bring down the costs on prospective advisers and make it easier for people to change careers into financial advice later in life.

For most students studying a Commerce, Economics or Finance degree – or people moving across from other financial services careers – the cost and time to meet the requirements under the new standard will be halved.

Advisers will still need to complete a professional year, pass the financial adviser exam and undertake ongoing continuing professional education.

These reforms will complement the education requirements for the new class of financial advisers. We will ensure the pathway is aligned to enable the new class of adviser to transition into the professional advice ranks.

The Government will work with industry and higher education providers to ensure an appropriate transition to the new education standard.

Further, the Government will no longer proceed with Stage 2 of the registration process for financial advisers established by the *Better Advice Act*. This stage would have required individual advisers to register annually with the Australian Securities and Investments Commission from 1 July 2026.

Financial advisers are already registered by their authorising Australian Financial Services licensees under Stage 1. Not proceeding with Stage 2 removes unnecessary red tape on individual advisers.

These reforms build on the Government's Delivering Better Financial Outcomes package to help address the current supply shortage of financial advisers, cut red tape that is not leading to better consumer outcomes, and strengthen the industry's ability to meet the future demand for financial advice.

## **ENDS**

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