

17 April 2026

The Treasury

Email: financialadvice@treasury.gov.au

Dear Treasury,

Consultation – Education Reform for Financial Advisers

The Financial Advice Association of Australia¹ (FAAA) welcomes the opportunity to provide feedback to Treasury on the “Education Reform for Financial Advisers” consultation paper.

The FAAA strongly supports this proposal, which in our view will make a meaningful positive difference to rebuilding the financial advice profession. The number of financial advisers has declined by around 48% since the start of 2019, and the flow of new entrants is currently insufficient to retain the current inadequate level, with only 464 advisers who first provided advice during 2025 – which is certainly not enough to help re-grow the profession. In the context of significant and growing consumer demand for financial advice, urgent action is necessary. Ultimately, improved access to financial advice is in the best interests of all Australians.

It is our view that this change will significantly add to the flexibility for new entrants, without reducing the rigorous standard that applies. At present, graduates of the universities who do not have an approved degree are unable to join the financial advice profession. This impacts the graduates of many of Australia’s leading universities. They are effectively excluded from the profession in the absence of undertaking significant costly additional study, with no capacity to recognise relevant study that they have previously undertaken.

These proposals ensure that standards will be protected through maintaining a robust education model that is backed up by the need to pass an exam, undertake a demanding Professional Year, and complete 40 hours of ongoing Continuous Professional Development each year. Licensees will also play a critical role in ensuring that any new advisers that they appoint have sufficient knowledge before they provide advice and that ongoing training ensures that they are not providing advice in areas where they do not have adequate knowledge.

¹ The Financial Advice Association of Australia (FAAA) is the largest association representing the financial advice profession in Australia, with over 10,700 members. It was formed in 2023 following the merger of the two leading financial planning/advice bodies in Australia – the Financial Planning Association (FPA) and the Association of Financial Advisers (AFA). With this merger, a united professional association that advocates for the interests of financial advisers and their clients across the country was created.

The FAAA supports the three key elements of this proposal:

1. A bachelor degree or higher requirement.
2. The completion of four financial concept subjects.
3. The completion of four accredited financial advice subjects.

The FAAA recognises that the transition from the current standard to the new standard will take time. It is particularly important that during this transition, and beyond, the knowledge and expertise of the Higher Education Providers (HEPs) who have invested in the development of financial advice education courses is retained. We discuss this further below. Our key point is to ensure that to the fullest extent possible, the existing approved programs remain valid and that any additional investment required by these changes is kept to a minimal level for HEPs who are already supporting financial advice education.

FAAA recommendations

The FAAA has seven key recommendations:

- **Clarity of Impact.** We recommend that the Government makes it very clear that this proposed reform will have no impact on existing providers who have already met the education standard, including via qualification for the Experienced Provider Pathway.
- **Support for Existing Financial Advice Education Providers.** In undertaking this proposed change to the education standard, we recommend that the transition is designed in a way to support those HEPs who have previously developed approved programs to ensure that they are not disadvantaged and can continue to make their courses available for potential students.
- **Existing Approved Programs to Continue.** We recommend that the Government allows all existing programs to remain approved and to continue to be available to potential students.
- **Guidance for Licensees.** We recommend that the Government facilitate the development of guidance for licensees to ensure that they are suitably aware of the criteria for the approval of study by new entrants.
- **Inclusion of the Creation of a Statement of Advice in Accredited Subjects.** We recommend that consideration be given as to how the creation of a Statement of Advice can be included in the accredited subjects.
- **Participation in Curriculum Development.** We recommend that the Government include the professional associations in the process to develop the revised curriculum and that ongoing refinement of the curriculum is approached on a co-regulation basis.
- **Cost and Funding for Financial Advice Programs.** We recommend that the Government consider the best approach to the packaging of financial advice education programs to ensure that courses can be provided in a manner to best enable access to Commonwealth funding and models for the deferral of payment.

FAAA Feedback

1. Definition of four accredited financial advice subjects - Taxation

The two subjects that are required for accreditation as a Qualified Tax Relevant Provider (QTRP) have been excluded from this list of accredited subjects. The exclusion means that a significant number of new entrants will not have completed the education required to be appointed as a QTRP.

A check of the most recent version of the ASIC dataset for financial advisers reveals that approximately 89% of current financial advisers are QTRPs. It is our view that it is extremely difficult to provide financial advice without any reference to the taxation implications of the advice.

That said, the requirement for this QTRP qualifying study is at a lower, diploma (AQF 5) level. The two subjects could potentially be studied by candidates during their Professional Year, and of course some may have already covered these subjects as part of their initial degree (such as an accounting, business or commerce degree).

It is essential that prospective students understand that they will still need to complete further study in order to be a QTRP, which the vast majority of them will need to do. The Government and HEPs need to ensure that this is understood by new students. Ultimately HEPs may build subjects that cover both commercial law and taxation law curriculum requirements to achieve QTRP status, which will also count towards the four financial concepts subject requirement.

2. Clarifying confusion about the impact on existing advisers

There has been some confusion about the potential implications for existing advisers. We appreciate the clarification that has been provided by the Government that these changes have no impact on existing advisers who have already met the requirements to practise through either completion of study or via the Experienced Provider Pathway.

Table 2 on the impact on different cohorts could be simplified by focussing on new entrants, rather than existing advisers. Alternatively, the last dot point for the “Experienced provider” and “Existing provider” explanations in this table, reading “Meet the new standard”, could be removed in the final communications.

This, along with a direct statement that there is no impact on existing advisers, would be very beneficial in the next phase of these reforms.

3. Supporting existing HEPs in this transition

The FAAA is seeking to retain the commitment of existing HEPs which have invested in the development of approved programs. We urge that everything possible should be done to retain the active involvement

of these institutions, which have developed substantial knowledge and expertise in teaching for the financial advice profession.

One challenge that we are aware of is that with some of these existing programs, the proposed accredited units are currently covered across multiple subjects. We would not like to see this emerge as a problem that could limit the ability of these institutions to continue to operate or to offer the proposed accredited subjects as standalone subjects.

We strongly recommend that the existing approved programs should remain authorised to continue as they are. This will help to preserve valuable existing programs and ensure that no material additional investment would be required from these institutions. We do not think there would be any disadvantage in allowing this to be the case.

4. Transitional considerations

We note the reference to a final date for the current standard. As noted above, we question whether this is necessary. If it is the view of the Government that the old standard needs to cease at a particular point, then the transition period should be as long as possible. It needs to take into account the fact that some students will be studying part time. For those who are commencing study on a part time basis in 2026, they might not complete their courses for another six years or more and should not be disadvantaged as a result.

We are particularly concerned to avoid a situation where existing students are left in limbo, new students hold off enrolling until new courses are available (which could take some time), and the pipeline of new entrants dries up. Given the parlous state of current financial adviser numbers, this could be another blow for our numbers at a time when demand for financial advice continues to rapidly increase.

This could be achieved via the Minister explicitly endorsing current courses as meeting the new standard, as soon as possible. After a given date, all new pathways will need to meet the new standard.

5. Importance of guidance for licensees

We support the design of this model, which will place a greater level of responsibility on licensees to undertake an assessment to ensure that new entrants meet the proposed education standard.

This will not be a difficult exercise in terms of Requirement 1 for determination of completion of a Bachelor degree or higher.

However, it will be more challenging in terms of the financial concepts subjects, where guidance will be important. Confirming compliance with Requirement 3 on accredited financial advice subjects should be supported by the availability of a public register of approved units.

Consideration should be given to how to support licensees in undertaking this assessment. Whilst we envisage that professional associations and HEPs will be able to assist, it would be beneficial for some contact point to exist either in ASIC or Treasury to support licensees in this area.

6. Development of new curriculum

We agree that the new curriculum will focus on the four accredited subjects and not need to cover the financial concepts subjects. We support the creation of a working group to finalise the curriculum details, and we recommend that this group include representatives of the professional associations in addition to the HEPs.

We also suggest that there should be a co-regulation model for ongoing refinement of the curriculum, where the financial advice profession has a key role in contributing to change. This will help ensure the curriculum remains closely aligned to the evolving requirements of the role of a professional financial adviser. In the past, the Financial Planning Education Council played such a role.

With respect to the accredited subjects, we recommend that consideration be given to how to include the creation of a Statement of Advice within these subjects. This is a core activity for financial advisers and should be part of one of the accredited subjects.

7. Packaging units to manage the cost of study

The FAAA is conscious of the fact that the completion of single subjects of study does not qualify for Commonwealth Supported Funding or access to options for the deferral of payment. This could be achieved by packaging the completion of the four accredited units as a Graduate Certificate. This will be a choice for individual institutions, however we are recommending consideration be given to how to enable the packaging of study to ensure the most cost-effective options are available to future students.

8. Implications for the financial adviser exam

As the curriculum is changing, there may be some flow-on implications for the content of the financial adviser exam. As new entrants may be able to complete study under either the existing education standard or the proposed education standard at the same time, we recommend that any changes to the exam are kept to a minimum and are suitable for both groups.

Further feedback

We offer the following additional feedback:

- **Minimum requirement.** We note the reference on page 5 of the consultation paper, under 'Requirement 1: Bachelor degree or higher', to the fact that a Graduate Certificate would not

satisfy the requirement. We accept this position, however understand that a Graduate Diploma would satisfy the standard and we request that this be clearly stated.

- **Financial concepts subjects.** We note in 'Figure 3 Proposed list of financial concepts study' on page 6, that there is extensive use of "and" for these fields of study. For example, Finance 'and' Finance Law. In this case, we assume that a subject could include either Finance or Finance Law, however it would not necessarily need to cover both Finance and Finance Law. If so, we suggest 'and' be updated to 'and/or' in this context.
- **Financial concepts subjects.** In terms of the 'Financial Advice Principles and construction' study area, we do not believe that this needs to be so specific and could instead just be Financial Advice. In addition, we recommend that this list of financial concepts study areas be expanded to include 'Underwriting and Life Insurance Claims', which is a key knowledge area for risk advisers and "Investment and/or Investment Planning".

Conclusion

The FAAA welcomes the opportunity to provide feedback on the Education reforms. We strongly support the proposal and urge the Government to progress with these reforms as soon as possible. This will make a meaningful difference in enabling more high quality graduates to enter the financial advice profession.

Whilst we believe that this will make a meaningful difference in providing more flexible pathways for new entrants to join the financial advice profession, it is also essential that the Government is careful with the introduction of other reforms that could act as a disincentive for potential new entrants, including through the imposition of further levy increases or other limitations on the provision of financial advice.

If you have any questions about our submission, please do not hesitate to contact me on (02) 9220 4500 or sarah.abood@faaa.au.

Yours sincerely,



Sarah Abood
Chief Executive Officer
Financial Advice Association Australia (FAAA)