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The Treasury

Via portal: <https://consult.treasury.gov.au/c2026-700540>

Education reform for financial advisers

The Super Members Council welcomes the Treasury consultation on proposed reforms to financial adviser education requirements. SMC supports considered reforms that make professional pathways clearer and more accessible, while always maintaining strong professional standards. Our clear and consistent 'policy north star' is to help strengthen retirement preparedness for all members and consumers with retirement savings in super.

The current pathways and qualifications into professional financial advice are exceedingly complex and highly prescriptive. Streamlining entry pathways into the profession is a sensible and necessary measure that should be advanced as one element of a comprehensive integrated plan to fix Australia's vast 'advice gap'¹ which must be tackled at every level. That costs everyday Australians financially and undermines the crucial objectives of the Retirement Income Covenant. Removing any unnecessary barriers to entry can strengthen professional adviser supply without weakening professional standards.

These proposed reforms are important to increase the supply of affordable quality financial advice from qualified financial advisers. However, they address just one element of that vast 'advice gap' that frustrates millions of everyday Australians while leaving affordability and delivery model gaps unfixed - solely tackling the narrow supply pipeline for qualified advisers who deliver comprehensive advice.

In the absence of greater access to trusted, affordable, scaled guidance and advice, Australians will inevitably seek help from lead generators and influencers - sometimes at grave risk to the safety of their super.

While this proposed reform is one important step, simply widening education requirements for entry to the advice profession alone will not close this vast advice gap, nor deliver the complete set of strong safeguards and protections that all consumers deserve irrespective of whether they have the means to pay for comprehensive financial advice. Without better access to the suite of trusted, regulated, safe advice channels including their own trusted super funds which have strong legal duties to safeguard their best financial interests, Australian consumers - especially those with straightforward needs or who are in vulnerable circumstances - face serious and growing risks from high-pressure sales tactics and misleading information.

These proposed changes should be advanced simultaneously with Tranche 2 of the crucial Delivering Better Financial Outcomes (DBFO) reforms, which are an urgent consumer safety priority. DBFO's second tranche of reforms will expand access to safe, affordable super and retirement advice delivered within tightly regulated frameworks, without exposure to conflicted selling models that thrive in an advice vacuum.

Anything less than a holistic policy approach to financial advice reforms risks implementing only partial solutions that then repeat previous recent consumer harm and undermine confidence in the financial advice and super systems. For this reason, we advocate advancing these measures concurrently.

SMC supports:

1. broadening degree pathways as a pragmatic correction to overly prescriptive qualification settings;
2. training core advice-specific education standards, noting assistance to ASIC and financial advice associations to support this endeavour; and
3. maintaining the adviser exam and CPD framework.

SMC recommends Treasury:

¹ Australia's 'financial advice gap' is the gap between the level of financial guidance and personal advice that Australians need to inform their retirement and financial planning needs, and the level of support that is currently accessible, affordable and utilised. It includes an access gap (too few advisers, capacity limits in some advice models); an affordability gap (this occurs where advice fees are higher than what is viable for Australians with low or medium super balances and is acute for early and mid-life super fund members and retirees with modest balances); and an appropriateness gap (some people do not require full-service comprehensive advice, but are not served by the current scaled alternatives (for example, retirement intra fund advice, retirement navigation etc).



4. publish an implementation and evaluation roadmap that sets out the objectives of the new standard, how success will be measured (including consumer outcomes as well as adviser numbers), and when and how the framework will be reviewed.
5. adopt a clearly defined transition period with early guidance on key milestones, including final commencement dates for approved degrees and teaching arrangements, to provide certainty for students, providers and licensees.

Together these reforms help to reduce duplication in education requirements, time-to-market for new advisers, and unnecessary complexity in qualification pathways. They do this without weakening the core consumer protections that are anchored in the best interest duty, ethical training, and supervised entry. While these reforms are strongly supported and will have some impact on the supply of advisers over time, they do not resolve the biggest structural drivers of the current financial advice gap - particularly affordability, scalability, and the different advice needs of Australians with more modest super balances.

About the Super Members Council

We are a strong voice advocating for the interests of 12 million Australians with over \$1.9 trillion in retirement savings managed by profit-to-member super funds. Our purpose is to protect and advance the interests of those millions of super fund members throughout their lives, advocating on their behalf to ensure super policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policy makers across the full breadth of Parliament.

Education reform must be matched by urgent progress on DBFO reforms

Australia currently has around 15,100 financial advisers, implying capacity for approximately 2.2 to 2.3 million members, on the optimistic assumption of a 150 clients-per-adviser model, against an estimated 15.9 million Australians with unmet advice needs.²

Even with a stronger professional adviser intake pipeline under the proposed education settings, adviser numbers are unlikely to exceed around 17,500 by 2030 and 20,000 by 2035. This would translate to incremental capacity for approximately 150,000 to 375,000 additional Australians to receive advice over the next decade - to give a sense of the scale of this expanded client reach - this would be 'a drop in the ocean' of the scale of current consumer advice needs. This is set against a projected gap of around 16.3 million members unadvised by 2030 and 16.9 million by 2035. Realistically, these reforms are positive directionally but likely to be marginal in impact relative to the scale of the advice gap. They streamline pathways, but do not address the core structural constraints affecting advice affordability, practice economics, and the scalability limits of comprehensive personal advice. This is why the DBFO (Tranche 2) reforms are pivotal.

DBFO and other advice models: a critical missing element

If comprehensive advice cannot scale to meet mass-market retirement demand, policy settings must support the expansion of safe complementary advice models such as intra-fund advice with its strong legal safeguards, consumer protections and trustee oversight duties.

These models are crucial from a consumer protection perspective. Complementary intra-fund advice can provide accessible, trusted and institutionally delivered guidance at scale, reducing reliance on social media, lead generators and other conflicted channels that too often become sources of misinformation, mis-selling and poor retirement solutions.

The primary mechanism for delivering retirement advice to most Australians will be through their super fund, supported by scalable intra fund advice models. Expanding intra fund advice further into retirement would enable funds to provide targeted and episodic support, that sits alongside a well-designed new class of adviser, and by clarifying that high quality guidance and prompts may be used at scale to complement traditional professional advice.

² Financial Advice Association Australia, [Adviser education reforms vital to help close advice gap](#), 17 March 2026



This would help address the critical advice need that would otherwise remain unmet if the DBFO proposals are not enacted.

A new class of limited scope advisers would also assist in bridging the gap between general guidance and full personal advice. Without this shift, Australia's advice gap is likely to widen despite improvements to professional standards. With it, the system has a credible pathway to providing support across the board, regardless of super balance size.

In its current form, professionalisation reforms implemented without Tranche 2 DBFO reforms risk skewing the system towards those who can afford comprehensive advice, leaving the mass market underserved despite substantial retirement savings held at scale, and continuing exposure to mis-selling risks.

Without urgently legislating DBFO, the benefits of financial adviser education reform will be very limited, consumer risks will persist, and the vast advice gap for many Australians will remain unfixed.

Balancing access and professional standards

SMC considers the proposed qualifications standard broadly strikes the right balance between maintaining rigorous professional standards and reducing unnecessary barriers to entry into the financial advice profession. There is real potential for the new framework to support a broader and more diverse adviser workforce by improving accessibility for regional students, career changers and people with relevant adjacent qualifications. Realising these benefits will depend on clear, consistent standards so that increased flexibility does not create a two-tier system or reduce confidence in adviser competence. The proposed framework appropriately includes training in ethics and professional conduct. As entry pathways are streamlined, it will remain critical that ethics education is robust and practically oriented, including capability to identify and manage conflicts of interest and to distinguish genuine advice from sales activity.

The proposed framework subject, Financial Advice Fundamentals, as set out under Requirement 3 (Accredited financial advice subjects), is intended to provide foundational knowledge and skills across key technical competency areas, including insurance, investments, superannuation, and estate planning. Regulatory Guide 146 (RG 146) sets out the minimum training and competency requirements for individuals who provide general advice in each of these areas. Accordingly, the Financial Advice Fundamentals subject should, at a minimum, exceed RG 146 requirements to ensure that individuals providing personal advice hold a higher standard of training and technical expertise than general advice providers.

Consideration should also be given to the potential adverse impacts of the proposed removal of the Taxation and Commercial Law subjects from the core curriculum, which is based on the view that "not all financial advisers provide tax (financial) advice." In practice, many advisers do provide tax-related advice, including on matters such as super contributions, income stream commencements, and other commonly advised-upon topics. As a result, consideration should be given to whether the proposed Requirement 3 accredited subject, Financial Advice Regulatory and Legal Obligations, could incorporate the requirements applicable to Qualified Tax Relevant Providers (QTRPs).

Doing so would better reflect current industry practice and support a more streamlined and coherent education framework. Without this inclusion, new entrants seeking QTRP status would be required to undertake additional, discrete study, which would increase the cost, time, and complexity of the qualification pathway and risk creating unnecessary duplication and inefficiency. Under these proposed reforms, maintaining rigorous professional standards while reducing barriers to entry will depend on careful implementation of the new framework. Greater flexibility in education pathways shifts the system away from prescription toward ongoing governance and oversight. As the current model is replaced, consistent subject accreditation, clear licensee assessment practices and robust professional standards will play a more prominent role. Without strong coordination and guidance, there is a risk of uneven application across providers and cohorts.

For instance, if entry pathways are streamlined, the available numbers of existing suitable supervisors and training providers may become a constraint or bottleneck on new advisers entering the workforce. A transition that increases commencements without adequate supervisory capability risks inconsistent competence outcomes and could dilute professional standards. SMC recommends that Treasury consider the capacity of the profession to support new entrants through the professional year and supervised practice under the proposed reform framework.

It may also be valuable to consider settings that give licensees appropriate control over how the



professional year is delivered, including support for funds to develop and operate programs that work for their business model and members. This flexibility would help encourage more people with the right skills and motivation to enter (and remain in) the advice profession, while maintaining robust supervision and quality outcomes.

ASIC could support this endeavour by working with professional associations, education providers and large licensees to map current supervisory capacity, identify likely bottlenecks and publish guidance on acceptable supervision models (including ratios, competency sign-off expectations and record-keeping). ASIC could also work with professional associations so they can develop scalable pathways for supervised practice, such as recognised structured programs, common templates and minimum training expectations for supervisors and consider transitional support to expand capacity. This may include time-limited incentives or grant funding for supervisor training and regional placements. Clear early milestones for the transition, coupled with monitoring and public reporting on commencements, completions and outcomes, would help ensure increased commencements translate into competent, well-supervised new advisers rather than a diluted standard.

Considerations to support the new system

While Treasury's proposed reforms aim to improve the availability of financial advice by increasing the number of financial advisers, the success of the reforms should also be assessed in terms of consumer experiences, not adviser numbers alone. Increasing supply does not, by itself, ensure safer or more accessible advice. Greater reliance on subject-based accreditation will require clear quality assurance and governance arrangements. Treasury should ensure there is transparency about who will accredit subjects, the criteria and evidence required, how equivalence and recognition of prior learning will be treated, and how consistency will be maintained across providers over time. Ongoing monitoring and audit mechanisms should be built in to support confidence that the new framework delivers comparable competence outcomes. To provide greater certainty and to support AFS licensees, advisers, and education providers, Treasury may also consider maintaining a public online register of approved financial advice subjects and approved higher education providers.

SMC considers that to supplement the new framework, the framework, the new qualifications standard is supported by a clear roadmap to measure success over time. Such a roadmap would promote transparency, enable evidence-based assessment and support continuous improvement. It should set out the objectives of the reforms, identify how progress will be monitored, and establish appropriate review points. A roadmap could articulate:

- the objectives of the new standard,
- how success will be measured over time, and
- when and how the framework will be reviewed.

At a minimum, success measures could include:

- trends in new adviser commencements and completions;
- retention of advisers in the profession over time;
- diversity of entry pathways (including career changers);
- consistency in qualification assessment and authorisation practices; and
- indicators of consumer outcomes, including access to advice and exposure to high-risk selling practices.

Importantly, these measures should be assessed alongside, not in isolation from, progress on DBFO and related consumer protection reforms. This would reflect the reality that adviser education, adviser conduct and consumer safety are interdependent.

SMC supports the proposed qualifications standard as a pragmatic recalibration of adviser education requirements. A clear implementation and evaluation framework will be essential to ensure the reforms deliver increased adviser supply, maintain professional standards and improve experiences for consumers.

Transition timing and length

SMC considers the proposed approach to transition reasonable, but notes that its effectiveness will depend on clear, early and well-sequenced implementation decisions.



The consultation paper proposes a transition period running from Royal Assent to a future final date, during which the current and new qualification standards would operate in parallel.

This approach recognises the need to safeguard students already enrolled in approved degrees, provide certainty for existing providers, and allow higher education providers sufficient time to redesign and accredit courses. However, the absence of indicative timeframes at this stage creates uncertainty for students, universities, licensees and employers. Without clarity on the length of the transition period and the timing of the final date, there is a risk of delayed investment decisions by education providers, confusion for prospective entrants, and inconsistent application of standards across cohorts.

Higher education providers will need adequate lead time to restructure courses, secure academic approvals and seek accreditation of individual subjects under the new framework. Licensees will require clear guidance on how to assess qualifications of the different cohorts during the transition. Students must have confidence that pathways commenced in good faith will be recognised and completed without disruption. In addition, implementation should include explicit consumer safeguards to manage the risks of mixed-standard cohorts during the transition. Clear guidance should be provided on how qualification equivalence will be assessed and how authorisation decisions will be made, to avoid inconsistent approaches that could weaken consumer protections or create confusion for consumers.

SMC therefore supports a transition period that is clearly defined, sufficiently long to support orderly change, and accompanied by early guidance on key milestones, including final commencement dates for approved degrees and arrangements for teach-out periods. Clear communication and consistent application will be critical to ensuring the transition supports adviser supply and maintains education quality.

SMC looks forward to continuing to work with Treasury on the next steps in implementing reforms that improve access to reliable and suitable financial advice for all Australians.