



17th April 2026

Financial Adviser Standards and Conduct Unit
The Treasury
Langton Crescent
Parkes ACT 2600

Email: financialadvice@treasury.gov.au

Dear Treasury

SMSF ASSOCIATION SUBMISSION: EDUCATION REFORM FOR FINANCIAL ADVISERS

The SMSF Association welcomes the opportunity to provide this submission to the *Education Reform for Financial Advisers* consultation.

The SMSF Association strongly supports the objective of these reforms to address the increasing financial advice gap driven by the ongoing shortage of financial advisers to meet the current and future demand for financial advice.

These reforms are necessary to amend the current one-size fits-all inflexible pathway to become a financial adviser and attract a broader pool of not only younger talent, but related professionals who may be seeking a career change or to provide financial planning advice to their existing clients.

The failings of the existing rigid education standard are evident in the declining number of enrolments in the currently prescribed qualifications, resulting in several tertiary providers ceasing to offer their financial planning qualifications in recent times.

However, we believe it is equally important to balance the need to increase the supply of financial planning advice with the need to protect the public interest. This includes retaining the public confidence gained through raising education, training and ethical standards some years ago. Continuing to require a new entrant to hold, at a minimum, a Bachelor Degree will aid in maintaining this confidence.

Coupling this with a more flexible curriculum provides the foundation for individuals to commence their financial planning career. It also recognises the diversity of the sector so that foundational training can be built on through ongoing learning to deepen this knowledge and develop specialist knowledge commensurate with the financial planning advice being provided.



While we believe the proposed education framework has the potential to provide greater flexibility, we are concerned that if it is not supported by Higher Education Providers (HEPs) the current challenges being faced will be carried into the proposed new entry education standard. To future-proof this risk, we believe there is strong merit in broadening the scope of who can deliver Australian Qualification Framework (AQF) Level 7 or higher (or equivalent) education to include Vocational Education Providers, as well as Professional Associations who can, and currently do, deliver education and qualifications equivalent to AQF Level 7 or higher.

The delivery of approved education through Vocational Education Providers and Professional Associations would also provide alternative pathways for those seeking a career change or who only require a top up of subjects to meet the proposed new entry education standard.

Importantly, while we believe education reforms are imperative to address current financial advice supply issues and attract talent to the profession, we also believe further reforms are needed to achieve this objective to address other significant issues such as rising compliance costs and costs created by the Compensation Scheme of Last Resort.

We acknowledge the Government's ongoing commitment to further reform, including other parallel consultations, and look forward to contributing to these reforms to ensure all Australians can access quality financial advice.

Our detailed responses to the consultation paper are contained in the Attachment.

If you have any questions about our submission, please do not hesitate to contact Keddie Waller, Policy Manager via email keddiewaller@smsfassociation.com

Yours sincerely,

Peter Burgess
Chief Executive Officer

ABOUT THE SMSF ASSOCIATION

The SMSF Association is the peak body representing the self-managed superannuation fund (SMSF) sector which is comprised of over 1.1 million SMSF members and a diverse range of financial professionals. The SMSF Association continues to build integrity through professional and education standards for practitioners who service the SMSF sector. The SMSF Association consists of professional members, principally accountants, auditors, lawyers, financial advisers, tax professionals and actuaries. Additionally, the SMSF Association represents SMSF trustee members and provides them with access to independent education materials to assist them in the running of their SMSF.



Proposed new qualifications standard

Requirement 1 – Bachelor degree or higher

The SMSF Association strongly supports retaining the requirement that a new entrant must hold a completed AQF Level 7 – Bachelor Degree or higher.

The purpose of an AQF Level 7 – Bachelor Degree is to qualify individuals who demonstrate that they can apply a broad and coherent body of knowledge in a range of contexts to undertake professional work and as a pathway for further learning. This includes skills, such as critical thinking and problem solving, that can be transferable to other disciplines.

It also maintains the objective of the *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017* that all financial advisers must be at least AQF Level 7 qualified, as outlined in the first standard of section 921B, while also enabling those with a Bachelor Degree or higher to explore a change in career to transition into financial planning.

Notably, section 921B provides broader flexibility to achieve an AQF Level 7 qualification, which unfortunately was not considered in the development of the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021*.

Section 921B(2)(a) states:

the person has completed a bachelor or higher degree, or equivalent qualification, approved by the standards body under section 921U;

Under the AQF¹, an AQF Level 8 qualification can be achieved through the completion of a Graduate Diploma qualification through either a HEP or Vocational Education Provider.

A Graduate Diploma via vocational education offers many benefits including flexible education pathways and often more affordable study than higher education, while still requiring graduates to apply a body of knowledge in a range of contexts to undertake professional or highly skilled work and as a pathway for further learning, being the same objective as a higher education Graduate Diploma through higher education.

Further, if *Requirement 1: Bachelor degree or higher* was expanded to recognise AQF Level 8 Graduate Diploma completed through vocational education, it could create the opportunity to develop and offer new vocational financial planning qualifications that could build to a Graduate Diploma of Financial Planning. This would provide another pipeline to build capacity, and an education pathway for the proposed new class of provider, to meet the growing advice demand and provide further employment opportunities for individuals while they complete their vocational qualifications.

¹ <https://www.aqf.edu.au/framework/aqf-qualifications#.block-system-main-block-level-8-bachelor-honours-degree-graduate-certificate-graduate-diploma>



The SMSF Association would encourage further discussion with the Future Skills Organisation², who are the Jobs and Skills Council currently responsible for the FNS Financial Services Training Package³, to explore the opportunity to build new financial planning vocational education qualifications.

Importantly, we support the proposal to not recognise a Graduate Certificate, as while it is also an AQF Level 8 qualification, it does not have the same depth and the quantum of learning as a Graduate Diploma.

Requirement 2 – Financial concepts subjects

The SMSF Association supports the proposed requirement that a new entrant must complete at least four subjects at an AQF Level 7 or higher in financial concepts drawn from a proposed list of financial concepts study.

In addition to the proposed list, we would also recommend adding Investment Planning, which would cover areas such as investment classes, investment theory and strategies.

This proposed requirement will provide increased flexibility for individuals to consider a career in financial planning as they progress their studies, rather than being locked into this decision at the commencement of their studies.

It will also provide flexibility for those individuals who have already completed a Bachelor Degree or higher to consider a change in career to financial planning, removing the current barrier to complete a prescribed qualification in financial planning. Given it is increasingly common for people to have multiple career changes throughout their working life, flexibility is needed to future proof the reformed education standard.

However, while flexibility is important, it is possible that financial planning subjects, such as Financial Advice Principles and Construction, Superannuation and Retirement Planning, Aged Card Advice and Insurance Planning and Risk Management may face lower enrolment numbers than other subjects on the proposed list of financial concepts study. This could result in some HEPs discontinuing these subjects, concentrating the financial concepts subject list.

Further to our comments above, recognising AQF Level 8 Graduate Diploma vocational study could provide another avenue to meet the financial concepts study requirement. It could also support a prospective new entrant who may only need to complete one or more of the financial concept subjects to meet this requirement, as it is unlikely they could complete these individual subjects through a HEP without enrolling in a full qualification.

As also noted above, section 921B(2)(a) states:

the person has completed a bachelor or higher degree, or equivalent qualification, approved by the standards body under section 921U

² <https://www.futureskillsorganisation.com.au/>

³ <https://training.gov.au/Training/Details/FNS/summary>



The 'or equivalent' could be further expanded to allow Professional Associations to develop and offer financial concept subjects, such as Financial Advice Principles and Construction, Superannuation and Retirement Planning or Aged Care Advice. These subjects could be independently assessed to ensure they are equivalent to AQF Level 7 or higher. This option would ensure that content is being delivered that meets the needs of the sector and set new entrants up for success, while maintaining the rigour of the proposed entry education standard.

They would also support Australian Financial Services (AFS) licensees to comply with their statutory obligation under the *Corporations Act 2001*⁴ to ensure that their representatives are adequately trained, and are competent, to provide those financial services – that is - the education and training is commensurate with the areas of advice they are authorised to provide.

Importantly, if a new entrant has not completed financial planning specific subjects as part of their financial concepts study requirement, they will need to complete such study before they could be authorised to begin engaging clients and preparing advice (under supervision) as part of their professional year. Expanding the scope of who can provide these subjects may support access to robust and quality financial planning specific study at the appropriate AQF level to maintain and ensure the provision of quality financial advice in the best interests of clients.

Requirement 3 – Accredited financial advice subjects

We support the proposal that all new entrants must complete four prescribed and accredited financial advice subjects approved by the Minister at an AQF Level 7 or higher.

However, one of the reasons the current entry education standard is being review is because the number of HEPs offering the prescribed financial planning qualifications continues to decline and it is likely that this trend could continue with the proposed accredited financial advice subjects.

It is also important to remember that while the proposed new education standard largely focuses on the underlying qualification to become a new entrant, not all new entrants will enter study straight from high school. They may be career changers, returning to work after career breaks after children or even running a public practice looking to provide financial planning to their existing clients.

Further to our comments above, it is very unlikely that a prospective new entrant who needs to complete one or all four accredited financial advice subjects would be able to enrol with a HEP to complete these subjects, rather they would likely need to enrol in a full qualification. This would require them to meet the qualification entry requirement and bear the cost of study, which is likely to present a similar barrier to entry as the current education standard.

This risk must be addressed to avoid experiencing the same challenges including high barriers to entry because of a lack of course supply, cost or inflexible study pathways.

To maintain the rigour of the education standard and address these considerations, the accredited financial advice subjects could be offered by a HEP, Vocational Education Provider or Professional Associations, provided they are at AQF Level 7 or higher (or equivalent) and approved by the Minister.

⁴ https://www5.austlii.edu.au/au/legis/cth/consol_act/ca2001172/s912a.html



This would build in a mechanism to potentially address potential supply issues should this occur and leaves the pathway open to leverage vocational study, which could be leveraged to build pathways for both new entrants and the proposed new class of provider to also continue their study towards becoming a financial adviser.

New curriculum

We support the need to review the curriculum which outlines the learning outcomes for the four accredited financial advice subjects. An adaptive curriculum is important to ensure that the proposed accredited financial advice subjects can remain contemporary and relevant over time.

Role of professional standards, licensees and further training

Professional Year

The professional year plays an important role to support new entrants build their professional development, accelerate practical learning and embed an ethical and client-first mindset.

However, the current model is geared towards university graduates and not like minded professionals who have been running their own business, practice or senior roles developing experience and skills relevant to becoming a financial adviser. It also can be a barrier to those in regional and rural locations.

We believe that enhancements could be made to the current model, that would have benefits for both new entrants and AFS licensees, moving to a mentoring focus rather than prescriptive approach.

These enhancements could be considered to align with the revised education standard.

Financial adviser exam

The financial adviser exam had a role to play in the implementation of the *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017*, ensuring that all existing financial advisers achieved a consistent level of education.

However, with the lifting of the minimum education standards to AQF Level 7, it is now a barrier to entry and a further cost to become a financial adviser, noting the many exams they must successfully complete as part of their entry education qualification.

Further, if the entry education standard is reformed and new curriculum is developed for the four accredited financial advice subjects, the exam will require a significant rewrite. The only common subjects for all new entrants will be the four accredited financial advice subjects, each of which will also include a form of examination assessment.

While technical knowledge is important, an exam does not assess nor develop the soft skills and empathy that defines a quality financial adviser. We believe the revised education model is an



opportunity to focus on the practical training needed to provide quality financial planning advice, that would be better supported by education and hands-on mentoring.

Should the exam be retained, it will be important to ensure an appropriate transition period to support currently enrolled students complete their qualifications, professional year and undertake the current exam. This will require the two exam cohorts to run in parallel as part of the transition.

Continuing professional development (CPD)

We support the current CPD requirements and as such, do not have recommendations for changes at this time.

Licensee obligations

While AFS licensees have an existing obligation to ensure their representatives are trained and competent to provide the financial planning advice they are authorised for, it must be acknowledged that the majority of AFS licensees are small business who will have limited experience, if any, assessing and reviewing qualifications against regulatory requirements.

Further they have limited resources and capacity to invest in this skill. Therefore, it will be imperative that AFS licensees are provided clear guidance and support to help them understand and comply with their obligations.

Further Training

Being a professional means committing to lifelong learning to ensure your knowledge and skills remain current and relevant to the advice and services you provide. The proposed education standard supports this approach, setting the foundation for new entrants to build their knowledge and skills relevant to the financial advice and services they will provide to their clients. This will include moving into areas of specialisation, and undertaking specialist programs, such as in SMSFs, given the breadth and diversity of the sector.

However, further to our above comments, given the proposed entry education standard would move away from core technical curriculum, AFS licensees will need guidance and support on how to develop learning pathways for their new entrants to ensure they undertake education and training that aligns with the intention of the education standards.

This will be imperative to ensure that consumers continue to receive quality financial advice in their best interests.

Implementation

Foreign qualification assessments

While it is important to ensure that foreign qualifications will meet the revised education standards, and, noting the unique taxation and superannuation we have in Australia, consideration also needs to be given to portability and recognising equivalent or higher overseas qualifications.



With the move to have a flexible curriculum, we believe there is the opportunity to provide greater recognition for appropriate foreign qualifications than under the current education standard.

Transitional considerations

Transition period

Any change will require a considered transitional period. However, this cannot be determined until the education model is finalised and the needs of relevant stakeholders including HEPs, are considered.

As with any academic change, what is an appropriate transition period will need to consider a range of factors including an appropriate period to teach out current courses, develop and offer the new accredited financial advice subjects, as well as the revised exam and for currently enrolled students to complete their pathway to becoming a new entrant under the current education standard.

This will require ongoing engagement across stakeholders to ensure that anyone on their education pathway to becoming a new entrant is not disadvantaged.