



**Actuaries
Institute.**

17 April 2026

Financial Advice Branch
Market Conduct Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

via: [Treasury Consultation Hub](#)

Dear Sir/Madam

Education Reform for Financial Advisers – Consultation Paper Response

The Actuaries Institute ('the Institute') welcomes the opportunity to respond to Treasury's consultation paper on Education Reform for Financial Advisers.

The Institute is the peak professional body for actuaries in Australia. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, banking, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

The Institute has a longstanding commitment to contribute to public policy discussions where our members have relevant expertise. The comments made in this submission are guided by the Institute's Public Policy Principles that any policy measures or changes should promote public wellbeing, consider potential impacts on equity, be evidence-based and support effectively regulated systems.

The proposed reforms support the broader objective of addressing the critical shortage of financial advisers in Australia and helping to close the financial advice gap that prevents many Australians from accessing affordable, high-quality financial advice.

We strongly support the initiative to make it easier for financial services professionals, including actuaries, to transition into financial planning through a more flexible and streamlined approach to recognising existing educational attainment while maintaining high standards. Financial planning as a career pathway has been historically pursued by a small but meaningful cohort of actuaries to whom it has been a 'mature vocation' enabling seasoned professionals to bring their life experience along with their strong technical skills to the delivery of financial planning advice.

Our key observations on the proposed three-requirement qualifications standard are as follows:

- **Requirement 1 (bachelor degree in any discipline):** We support this change. It appropriately recognises transferrable skills from tertiary education. We note it would not change the position for actuaries, who already hold relevant degrees at AQF Level 7 or higher.
- **Requirement 2 (financial concepts subjects):** We support this requirement. Graduates of accredited actuarial science degrees at all seven Australian universities would likely satisfy

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Requirement 2 in full, as their programs include subjects in actuarial science, mathematics/statistics, economics/econometrics and accounting. This would effectively halve the additional study burden for actuarial graduates wishing to transition, from eight subjects to four.

- **Recognising external (non-university) education pathways within Requirement 2:** Prior to the 1990s, it was common for some actuaries practising in Australia to have attained their designation without an actuarial degree from an accredited Australian university (for example, through correspondence with the UK Institute of Actuaries). The subsequent wider offering of actuarial science degrees in Australian universities provided new pathways deemed equivalent to correspondence-based pathways at the time. Regardless of their pathway to qualification, all actuaries would have had to demonstrate the technical and financial understanding (whether by degree or accredited correspondence courses) that underpin the proposed financial concepts list. We therefore [recommend](#) Government consider the streamlined option of deeming all actuaries who have attained the Associate or Fellowship designation level to have satisfied Requirement 2. This model could be considered more broadly towards recognising the professional qualifications of financial services professionals, including for example accountants.
- **Requirement 3 (accredited financial advice subjects):** We support this as a full requirement for all new entrants, including actuaries. The knowledge required to provide personal financial advice to retail clients is substantively different from actuarial professional obligations and merits dedicated study.
- **Transition:** We support the new standard taking effect as soon as practicable following Royal Assent. Students currently enrolled in financial planning degrees should be given the option to qualify under either the current or new standard, consistent with offering more flexible pathways while maintaining education quality.

The attachment sets out our observations in more detail, including a review of the seven accredited actuarial university programs in Australia.

If you would like to discuss any aspect of this submission, please contact the Institute via (02) 9239 6100 or public_policy@actuaries.asn.au.

Yours sincerely,

Signed

Elayne Grace

CEO

Attachment

1. Requirement 1: Bachelor Degree or Higher

The Institute supports the proposal that Requirement 1 be satisfied by a completed bachelor degree (AQF Level 7 or higher) in any discipline from an Australian higher education provider.

The broadening of this requirement to any discipline is a welcome reform that removes an unnecessary barrier for career changers from a wide range of professional backgrounds. It recognises the value of tertiary education in developing critical thinking, communication and analytical reasoning skills, without unnecessarily narrowing the pool of potential entrants to the financial advice profession. Many professionals with degrees in commerce, economics, law, science and other disciplines possess the foundational capabilities needed to succeed as financial advisers.

For actuaries, all Fellows and Associates of the Institute hold at least a bachelor's degree (or equivalent) usually at credit level, and graduates of accredited actuarial programs at Australian universities hold degrees at AQF Level 7 or higher.

2. Requirement 2: Financial Concepts Subjects

The Institute supports the proposed Requirement 2, which would require new entrants to complete at least four subjects at AQF Level 7 or higher in financial concepts drawn from the proposed list in Figure 3 of the consultation paper.

Impact on Actuarial Graduates from Accredited Actuarial University Programs

The Actuaries Institute accredits actuarial programs at seven Australian universities. Accredited actuarial degrees require students to complete core subjects across multiple areas that appear on the proposed financial concepts list.

As part of completing an actuarial degree and gaining exemptions from the Actuaries Institute's Foundation Program, students are required to study subjects that cover at least the following areas from the proposed list:

- Actuarial Science – the core discipline of the degree
- Mathematics/Statistics – a foundational requirement including probability, mathematical statistics and stochastic processes
- Economics/Econometrics – typically including microeconomics, macroeconomics and economic modelling
- Accounting – included as a compulsory subject or integrated into the business core of commerce-based actuarial programs

We have reviewed the structure of each program to assess whether graduates would satisfy Requirement 2 through their degree studies. All seven accredited actuarial degree programs in Australia require students to complete subjects across at least five of the proposed financial concepts areas. Our findings are summarised in the table on the following page.

University	Year first accredited	Degree	Financial Concepts Areas Covered
Australian National University	1988	Bachelor of Actuarial Studies	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance
Bond University	2014	Bachelor of Actuarial Science	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance
Curtin University	2010	Bachelor of Science (Actuarial Science)	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance
Macquarie University	1968	Bachelor of Actuarial Studies	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance
Monash University	2009	Bachelor of Actuarial Science / BCom (Actuarial Studies)	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance
University of Melbourne	1992	Bachelor of Commerce (Actuarial Studies)	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance
UNSW Sydney	1993	Bachelor of Actuarial Studies	Actuarial Science, Mathematics/Statistics, Economics, Accounting, Finance

For graduates from an accredited actuarial degree, the Institute's working view is that the Government's proposal would achieve its intended effect of significantly reducing the study burden for actuarial graduates wanting to transition into financial planning. Under the current standard, an actuarial graduate seeking to become a financial adviser would need to complete an approved degree of at least eight subjects. Under the proposed standard, an actuarial graduate of an accredited university would likely satisfy Requirements 1 and 2 through their existing qualifications. This effectively halves the additional study required. The four remaining subjects under Requirement 3 are tailored towards financial planning and appropriate for an actuary to complete.

We also observe that this initiative to strengthen the link between the financial planning and actuarial professions adds depth to both:

- the Financial Planning Profession – it improves the opportunity for actuaries to apply their unique skills to the financial planning process, having the capability to handle complex financial planning arrangements where there can be multiple competing issues to be resolved simultaneously; and
- the Actuarial Profession – actuaries engaged in financial planning continue to engage with the broader actuarial profession deepening its understanding of the end consumer.

Impact on actuaries qualifying through correspondence pathways

Prior to the offering of actuarial science degrees from Australian universities beyond Macquarie University in Sydney, it was common for actuaries to attain their designation (Associate (AIAA) or Fellowship (FIAA)) without completing an accredited actuarial degree at an Australian university. This includes members who qualified through non-university but accredited correspondence-based

pathways or through equivalent overseas qualifications that were recognised by the Institute as an Accredited Member¹. For these Actuaries Institute members, the subjects completed as part of their qualification pathway would be expected to align with the proposed financial concepts list (such as actuarial science, mathematics/statistics, economics and accounting).

Under the new qualifications standard, AFS licensees would be responsible for assessing qualifications against the new requirements and updating the Financial Advisers Register. Each AFS licensee would assess the subjects completed by the individual against the proposed financial concepts list and determine how many, if any, of the four financial concepts subjects are satisfied.

A More Practical Approach: Recognising Adjacent Professional Qualifications

We [recommend](#) the Government consider a more practical and streamlined alternative: deeming all persons who have attained the Actuary designation (at the AIAA or FIAA level) to have satisfied Requirement 2 in full. This model could be considered more broadly towards recognising the professional qualifications of financial services professionals, including for example accountants.

Attaining the Actuary designation is a rigorous professional qualification process in Australia. It requires the completion of the Foundation Program, the Actuary Program and, for FIAA, the Fellowship Program, together with a practical experience requirement – a pathway that typically takes sustained specialist financial study and professional development beyond a bachelor's degree. For those members who completed this pathway through the Institute's former correspondence program, the process was arguably more demanding still, as candidates were self-directed without the structured support of a university program. Regardless of the pathway taken, every Actuary would in practice have the technical and financial understanding that underpin the proposed financial concepts list.

Deeming actuaries to have satisfied Requirement 2 would not reduce the overall rigour of the proposed education standard and would avoid what would be an unnecessary administrative use of resources. All actuaries would still be required to complete the four accredited financial advice subjects under Requirement 3, pass the financial adviser exam, and complete the Professional Year. These remaining requirements are specifically designed to ensure that new entrants have the financial advice-specific knowledge and practical experience needed to provide personal advice to retail clients. The combination of the Actuary designation and these remaining requirements would represent a robust qualification pathway.

Precedent for this type of recognition within the financial advice professional standards framework exists in the experienced provider pathway, which permitted financial advisers with at least ten years' experience as a relevant provider between 1 January 2007 and 31 December 2021 (and a clean disciplinary record) to satisfy both the qualifications standard and the professional year standard without further education – provided they have passed the financial adviser exam. We submit that the same principle could reasonably apply to actuaries who have attained Fellowship or Associateship, given the breadth and depth of the qualification.

We also observe that an Actuary at the Fellowship designation level is currently recognised by APRA as a mark of professional standing.

- Under SPS 520 Fit and Proper, an RSE actuary must be a Fellow or Accredited Member of the Institute of Actuaries of Australia.
- Under Standard CPS 320 Actuarial and Related Matters, any actuary performing functions under the prudential requirements for insurers must be a Fellow or Accredited Member of the Actuaries Institute.

¹ An Accredited Member of the Actuaries Institute describes those actuaries who have attained equivalent Fellowship level designation through an overseas actuarial association.

In summary, we submit that Treasury could draw on this precedent in recognising actuaries as satisfying Requirement 2 for the purposes of the new qualifications standard.

We consider this to be a fair and practical approach that appropriately recognises the rigour of the actuarial qualification, avoids unnecessary administrative burden for both AFS Licensees and individual applicants, and is consistent with the Government's stated objective of streamlining pathways into the financial advice profession.

3. Requirement 3: Accredited Financial Advice Subjects

The Institute supports the requirement that all new entrants, including actuaries, must complete the four accredited financial advice subjects: Ethics for Professional Advisers, Financial Advice Regulatory and Legal Obligations, Client and Consumer Behaviour, and Financial Advice Fundamentals.

While actuaries operate under the Institute's Code of Conduct and a well-established professional standards framework, the knowledge required to provide personal financial advice to retail clients is substantively different from the professional obligations actuaries are typically trained in. We therefore see no reason for actuaries to receive advanced standing or exemptions from any of these subjects.

Members of the Institute who are currently completing or have completed financial planning qualifications have observed that the material covered in the ethics, regulatory and client behaviour subjects is genuinely new and valuable, even for experienced actuaries. While actuaries are accustomed to operating under a code of conduct and professional standards, the focus of the financial advice subjects is different and specifically tailored to the retail advice context. Financial advisers require a deep understanding of the regulatory obligations specific to the provision of personal advice, including the best interest duty, disclosure requirements under the Corporations Act, and the Financial Advisers Code of Ethics. This also includes understanding content requirements for the Statement of Advice, Financial Services Guide, breach reporting and consumer protection frameworks.

The financial advice profession is still at a relatively early stage in establishing its identity as a profession with unified codes of ethics and agreed standards. It is important that all new entrants, regardless of their professional background, are given a thorough grounding in the expectations and knowledge required of a financial adviser. Requiring all entrants to complete these four subjects supports the cohesion and professionalisation of the financial advice sector.

We also note that a number of the Fellowship Program (previously Part III) subjects offered by the Actuaries Institute cover life insurance, superannuation and retirement income in significant depth. However, the focus of these subjects is on the actuarial analysis and management of these product areas, rather than on providing personal advice to retail clients. We would not consider completion of these subjects to be an adequate substitute for the accredited financial advice subjects.

Observations on the Proposed Curriculum

While we are broadly supportive of the proposed curriculum for the four accredited financial advice subjects, we offer the following observations for Treasury's consideration in finalising the curriculum details.

- **Advice in the digital and AI age** – the financial advice process increasingly relies on digital tools, including AI-assisted platforms, to support the preparation and delivery of advice. At the same time, clients vary widely in their digital capability and preferences – some will prefer to engage primarily through technology, others through personal interaction, and many through a combination of both. The education standard should ensure that new advisers are equipped to use these tools effectively and responsibly, without allowing the advice process to become mechanistic or detached from the client's individual circumstances. Advisers must be trained to

exercise professional judgement and maintain accountability regardless of the medium through which advice is delivered.

- **Broadening communication to engagement** – the proposed learning outcomes for ‘Behavioural Finance, Client and Consumer Behaviour’ could be broadened to place greater emphasis on practical client engagement skills. While the current outcomes appropriately cover behavioural biases and communication, they could be strengthened to include active listening, understanding the client’s needs in their full context, and responding with tailored strategies that genuinely reflect those needs. These skills are fundamental to building trust and delivering advice that clients are able to understand and act upon.
- **Integrating ethics, legal compliance and technical knowledge** – as currently structured, the four subjects cover these areas as distinct fields of study. In practice, however, effective financial advice requires the adviser to bring these elements together simultaneously. For example, sound documentation practices – such as preparing file notes that are shared with the client, or drafting meeting minutes that clients sign to record the advice received and the decisions made – are a practical application of ethical, legal and client engagement obligations working in concert. These integrated skills support both regulatory compliance and a transparent, client-centred advice experience.

We recognise that many of these integrated skills would be further developed through the Professional Year requirements and on-the-job training. However, we consider that the education standard should at a minimum establish a foundational awareness of how these disciplines intersect in practice. This would better prepare new entrants for the realities of the advice process from the outset, rather than relying solely on workplace experience to bridge this gap.

4. Transitional Considerations

Commencement of the New Standard

The Institute supports the new qualifications standard taking effect as soon as practicable following Royal Assent of the enabling legislation. Given the well-documented shortage of financial advisers and the Government’s stated objective of expanding the pipeline of new entrants, unnecessary delay in commencement would work against the policy intent.

We recognise that higher education providers will need time to restructure their course offerings and obtain accreditation for the four financial advice subjects under the new curriculum. However, the transition period between Royal Assent and the ‘final date’ should be designed to facilitate an orderly transition rather than to defer the benefits of the new standard.

In practical terms, we suggest that the new standard should be available as an alternative pathway from the date of Royal Assent, with the current standard continuing to operate in parallel during the transition period. This would allow early adopters, including career changers and professionals from related fields, to begin qualifying under the new standard without waiting for the current standard to be phased out.

Students Currently Enrolled in Financial Planning Degrees

The Institute considers it important that students currently enrolled in an approved financial planning degree are given the option to qualify under either the current standard or the new standard. This is consistent with the consultation paper’s indication that students who commenced their approved degree before the ‘final date’ would be able to complete their degree and satisfy the current qualifications standard.

However, some students may find it advantageous to transition to the new standard—for example, if they have already completed subjects that satisfy Requirements 1 and 2 and would prefer to complete the four accredited financial advice subjects rather than the full approved degree. Providing students

with this choice is consistent with the Government's objective of offering more flexible pathways while maintaining a high-quality education standard.

Offering this choice would also help address the situation where students are unable to complete their approved degree due to the cessation of required subjects or the withdrawal of programs by higher education providers – an issue that the consultation paper identifies as a current problem.