

17 April 2026

Andre Moore
Assistant Secretary
Advice, Insurance and Capital Markets Branch
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: financialadvice@treasury.gov.au

Dear Andre

Treasury consultation: Education reform for financial advisers

The Council of Australian Life Insurers (**CALI**) welcomes the opportunity to respond to the Treasury's consultation on the new education standard for financial advisers.

CALI strongly supports the Government's aim of expanding the pipeline of new entrants into the advice profession.

As the broader macroeconomic and geopolitical environment continues to deteriorate, and as Australians continue to face mounting cost-of-living pressures, giving people more access to affordable advice is critical to helping them build strong financial safety nets for themselves and their loved ones.

While we strongly welcome the proposed new education standards for financial advisers, we continue to advocate for the prioritisation of, and urgent consultation on, the second tranche of the Government's Delivering Better Financial Outcomes (**DBFO**) reforms. These reforms are critical to not only addressing the productivity and supply-side challenges facing the advice industry but also to improving financial safety, and limiting the harmful impact of scams, dodgy providers and low quality AI information.

Currently, there are less than 600 financial advisers who advise on life insurance in their business, with just 185 "pure risk"¹ advisers currently operating in Australia.² People need someone to talk to. Making critical financial decisions is hard, and they should not have to do it alone. Financial advisers do an incredible job helping

¹ Advisers who advise only on life insurance.

² [7th Annual Australian Financial Advice Landscape Report – 2025](#)

Australians with personalised and holistic financial plans but there aren't enough of them to meet the demand, let alone in a scalable, cost-effective way.

Current settings also prevent life insurers from providing guidance, support and help to customers about their own products, when asked for, at no cost to them.

Our research, detailed in Appendix A, highlights a persistent and growing advice gap in life insurance. The need for more advisers with life insurance expertise is critical.

We make the following recommendations in relation to the proposed new education standard for financial advisers. Our detailed submission follows in Appendix A.

Recommendations

1. In relation to proposed Requirements 2 and 3:
 - a. Ethics for Professional Advisers should be merged with Financial Advice Regulatory and Legal Obligations; and
 - b. *Insurance Planning and Risk Management* and *Superannuation and Retirement Planning (including SMSF)* should be moved from financial concepts to accredited financial advice subjects.
2. Recognition of prior learning and experience should be extended to the Professional Year requirement to support career change pathways for experienced professionals.
3. The Government should urgently prioritise consultation on the second tranche of the Delivering Better Financial Outcomes reforms.

Please do not hesitate to contact Li Chang (Associate Director, Policy) at li.chang@cali.org.au for more information. This submission is made on a non-confidential basis.

Yours sincerely



Luke Hyde
General Manager, Policy
Council of Australian Life Insurers



About CALI

CALI is the leading voice of life insurance in Australia. We support Australians to make informed choices about their future and help them live in a healthy, confident and secure way over their lifetime.

Our members' products and services give people peace of mind when making important decisions and provide a financial safety net during life's biggest challenges.

We advocate for national policy settings that expand Australians' access to the life insurance protection that suits them when they need it most.

CALI represents all life insurers and reinsurers in Australia. The Australian life insurance industry is today a \$26.4 billion industry, employing thousands of Australians and paying billions of dollars of benefits each year.

For more information, visit www.cali.org.au

Appendix A: CALI submission

Recommendation one

1. In relation to proposed Requirements 2 and 3:
 - a. Ethics for Professional Advisers should be merged with Financial Advice Regulatory and Legal Obligations; and
 - b. *Insurance Planning and Risk Management* and *Superannuation and Retirement Planning (including SMSF)* should be moved from financial concepts to accredited financial advice subjects.

Given the close alignment between ethics, legal and regulatory obligations, we recommend that these two subjects be merged. This would increase capacity for the study of subjects more closely aligned with the technical elements of professional advice practice but also areas of greatest customer need.

We strongly recommend that Government considers the inclusion of the *Insurance Planning and Risk Management* and *Superannuation and Retirement Planning (including SMSF)* subjects into the list of proposed accredited financial advice subjects.

Whereas the advice market for accounting, taxation, and estate planning is already well-served by an established and broad professional base of accountants, tax agents and lawyers, professional advice on insurance and superannuation is limited, to a large extent, to professional financial advisers.

In circumstances where Australia is approaching what is often described as a “silver tsunami”³ of working-age Australians approaching retirement and decumulation, and where default insurance arrangements in superannuation are the most common form of life insurance cover for working Australians, it is essential that the advice profession has the capacity and capability to meet the growing and unmet advice needs across both of these domains.

We acknowledge that these topics are intended to be covered in the proposed *Financial Advice Fundamentals* course in the list of proposed accredited financial advice subjects, however, the breadth of subjects necessarily reduces the study of both domains in a way that may not meet the capacity and capability is required.

³ Super Member Council, Retirement Revolution, [Simpler Smarter Retirement](#). October 2025

Recommendation two

2. Recognition of prior learning and experience should be extended to the Professional Year requirement to support career change pathways for experienced professionals.

The Treasury’s consultation paper, at page four, correctly identifies the issues with the current education standard, and specifically notes the significant investment in study for careers changers as a disincentive to transition into the advice profession.

In addition to the significant investment in study, which is ameliorated to a large extent by the proposed new standards, there is a further opportunity to encourage career change transition into the advice profession through the application of recognition of prior learning and experience to the Professional Year (**PY**) requirement.

While we would not support a complete waiver of the requirement, to the extent that career changers have significant experience in client interface and the provision of advice, the PY could be safely reduced and applied on a commensurate basis. We envisage this could apply to professions such as accounting, law, teachers, engineering, medicine and allied health, taxation and actuarial.

In addition, in relation to life insurance specifically, we submit that professionals who hold an AQF7 level qualification, and who have worked in a life insurance company for a period of more than five years, ought to be exempted from the PY requirement if they determine to enter the advice profession as a career changer new entrant.

To demonstrate the rigour of comparable regimes, we have set out examples in Table 2 below.

Table 2: A list of the professional year requirements for different professions.

Professions	Professional year / internship requirements
Advisers	Complete 1600 hour supervised professional year prior to full authorisation. ⁴
Accountants	36 months of relevant experience gained at any time before, during or after study. Experience must be signed off by a CPS, FCPA or an equivalent full member of the International Federation of Accountants. ⁵

⁴ Section 910A of the Corporations Act.

⁵ CPA Australia/[Chartered Accountants ANZ experience requirements](#).

Lawyers	<p>Practical Legal Training results in graduate diploma in Legal Practice.</p> <p>Supervised practice depends on practicing certificate.⁶</p>
Actuaries	<p>To become an Associate, one year of supervised, relevant work experienced while completing the Actuary Program.</p> <p>A second year of supervised work to advance from Associate to Fellow.⁷</p>
Doctors	<p>Doctors must complete a supervised year designed to transition medical graduates from students to safe, practising doctors.⁸</p>
Psychologists	<p>After the accredited sequence, a one year Board-approved internship (44 weeks full-time).⁹</p>
Nurses	<p>The Graduate Nurse Program is the professional year that occurs after they are registered, designed to consolidate prior learning (not mandatory).¹⁰</p>
Engineers	<p>The professional year in engineering comprises of over 44 weeks and through a mix of classroom training and an industry placement, but not universally required.¹¹</p>
Teachers	<p>In NSW, teachers must achieve a “proficient teacher accreditation”. This could take 3 years full time for a Provisional teacher or 4 years full time for a Conditional Teacher.¹²</p>

⁶ State-based legal admission rules and practising certificate conditions.

⁷ [Actuaries Institute qualification pathway](#).

⁸ Medical Board of Australia – [internship \(PGY1\) requirement](#).

⁹ Psychology Board of Australia – [supervised practice requirements](#).

¹⁰ Nursing and Midwifery Board of Australia – [registration requirements](#).

¹¹ Engineers Australia – [professional year program guidance](#).

¹² NSW Teachers, [Teachers accreditation](#)

Recommendation three

3. The Government should urgently prioritise consultation on the second tranche of the Delivering Better Financial Outcomes reforms.

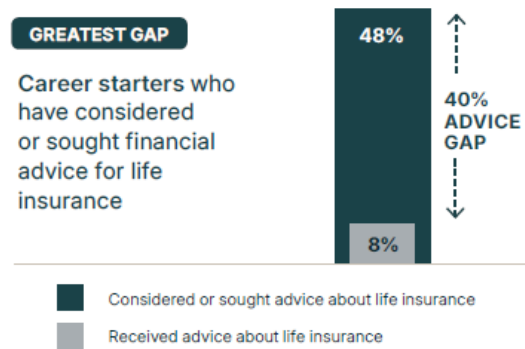
CALI research highlights a persistent and growing advice gap in life insurance. Although more than three in ten working Australians have considered seeking advice about life insurance, less than one in ten have received any advice. The gap is especially acute for younger Australians. Nearly half of all career starters have considered or sought financial advice for life insurance, but less than one in ten received any advice.¹³

The advice gap puts consumers at greater risk of misinformed decisions and having inadequate coverage, or no coverage at all. Australians are at greater risk of scams and dodgy providers as they reveal a deep trust in AI for financial advice. According to CALI research, three in five people say they would trust financial advice received from AI-powered programs such as ChatGPT.

More than one in five Australians surveyed said they thought about using AI to get advice on their life insurance in the past three months alone. It is almost the same amount who considered contacting a life insurer directly.

Alarming, almost 20 per cent of people actually received life insurance advice from programs such as ChatGPT in the past quarter.¹⁴

CALI is concerned that this growing dependence on informal channels puts working Australians at greater risk of making life-changing financial decisions based on information from unregulated sources.



2024/25 National Aggregate sample base n=2,396 working Australians and n=873 career starters.

¹³ Page 15, CALI, [The State of Australia's Safety Net](#). Exploring the needs and wellbeing of Australians in 2025

¹⁴ [CALI Media](#). Failure to act on advice reforms leaves Aussies exposed as they turn to AI for insurance advice. Published 17 March 2026

CALI research appears to align with recent publication by Australian Securities and Investments Commission (**ASIC**) which shows that one in five Gen Zs are using AI to make decisions about their financial future. The ASIC warned that while Gen Zs have “a strong appetite for reputable and trustworthy financial content, many struggle to find it – and their search often leads them to sources designed for engagement rather than accuracy”.¹⁵

Advice reform is now more critical than ever, particularly following the collapse of the Shield and First Guardian managed investment schemes which wiped out the superannuation savings of thousands of Australians. Reform is needed to ensure regulated advice is more accessible and affordable to help better guide decision making from consumers that have also obtained information and advice from unregulated sources.

¹⁵ [ASIC Media Release](#). (26-049) ASIC urges Gen Z to ‘sense-check’ money advice as social media fuels riskier financial decisions. Published 16 March 2026