

3 May 2023

Advice and Investment Branch
Retirement, Advice and Investment Division
Treasury
Langton Crescent
PARKES ACT 2600

Email: FinancialAdvice@treasury.gov.au

Dear Sir/Madam

Consultation: Education standards for experienced financial advisers and technical fixes for new entrants

The Actuaries Institute ('the Institute') welcomes the opportunity to comment on the exposure draft bill *Treasury Laws Amendment (measures for consultation) Bill 2023: Financial Advisers Professional Standards* and accompanying explanatory materials. These amendments are intended to deliver the Government's education commitments to better recognise experienced financial advisers. The Institute is the peak professional body for actuaries in Australia.

The Institute supports the proposed amendments to financial adviser professional standards

The Institute welcomes the proposed amendments to the qualifications requirements of the financial adviser professional standards. In particular, we:

- Welcome the proposed experience pathway amendments as they allow those actuaries with suitable experience to continue to provide personal financial advice to employers and smaller superannuation fund trustees beyond 31 December 2025.
- Support an extension to the timeframe for the experience pathway from 31 December 2019 to the later date of 31 December 2021, though query why the extension is not until 31 December 2025, to better tie into the transitional arrangements for existing financial advisers.
- Support the intention to allow new entrants to apply to the Minister to have their degree recognised even when it does not meet the requirements of an approved degree for technical reasons.

But a number of issues affecting superannuation actuaries remain unaddressed

Our continued concerns relate to the impact of the financial adviser education standards for superannuation actuaries. These actuaries provide specialist financial advice on superannuation matters to employers and APRA regulated superannuation fund trustees. This cohort excludes those actuaries who provide personal financial product advice to individuals and to trustees of self-managed superannuation funds.



As set out in our [submission](#) to Treasury's previous consultation on the financial adviser education standards, the financial advice provided by superannuation actuaries to employers and APRA regulated superannuation fund trustees is specialised. It requires training and expertise not covered by the financial adviser education and training standards. Our submission suggested that a potential solution would be for employers of a certain size and relevant smaller superannuation trustees to be classified as wholesale, rather than retail, clients in relation to advice on superannuation products.

In the absence of this legislative change, we believe a number of issues impacting superannuation actuaries remain unaddressed despite the proposed amendments. In particular:

- The technical amendments to recognise different study pathways, though welcome, are unlikely to assist actuaries because the specialist study required to qualify as an actuary is not designed to meet all the financial advice education requirements.
- We continue to be concerned that, even with the draft amendments, the lack of relevance to the work of actuaries, high cost and the time commitment required to complete the financial adviser education standards for new entrants will mean that in the longer term very few superannuation actuaries will elect to undertake the additional study required to be qualified to provide this advice.
- Unless further amendments are made, in the longer term there will be very few superannuation actuaries qualified to provide personal financial advice to employers and smaller superannuation fund trustees. Our earlier submission set out why this should be of concern.

The Institute would welcome the opportunity to discuss this matter further. If you would like to do so, please contact Tim Jenkins, Chair of the Actuaries Institute's Superannuation and Investments Practice Committee, at timothy.jenkins@mercer.com.

Yours sincerely

Tim Jenkins
Chair, Superannuation and Investments Practice Committee