

# The 2026 Challenges for Advisers

Presented by Sarah Abood, CEO  
19 March 2026



FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

The logo for the Financial Advice Association Australia (FAAA) is displayed within a white speech bubble. The logo consists of the letters 'f', 'a', 'a', 'a' in a stylized font. The 'f' is black, the first 'a' is orange, the second 'a' is red, and the third 'a' is purple. Below the letters, the words 'FINANCIAL ADVICE' and 'ASSOCIATION AUSTRALIA' are written in a dark blue, sans-serif font, stacked on two lines.

# Agenda

- Current state
- Key challenges
- ASIC priorities with managed accounts
- Advocacy focus for 2026
  - Education reform
  - CSLR
  - AML/CTF
  - DBFO
  - Shield and First Guardian (“SFG”)

# Financial advice – current state

A large, light grey speech bubble containing the FAAA logo and text. The bubble is surrounded by several thin, overlapping curved lines in shades of orange, red, and purple. The logo consists of the letters 'f', 'a', 'a', 'a' in a stylized font, with the 'f' in black, the first 'a' in orange, the second 'a' in red, and the third 'a' in purple. Below the letters, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a dark blue, sans-serif font.

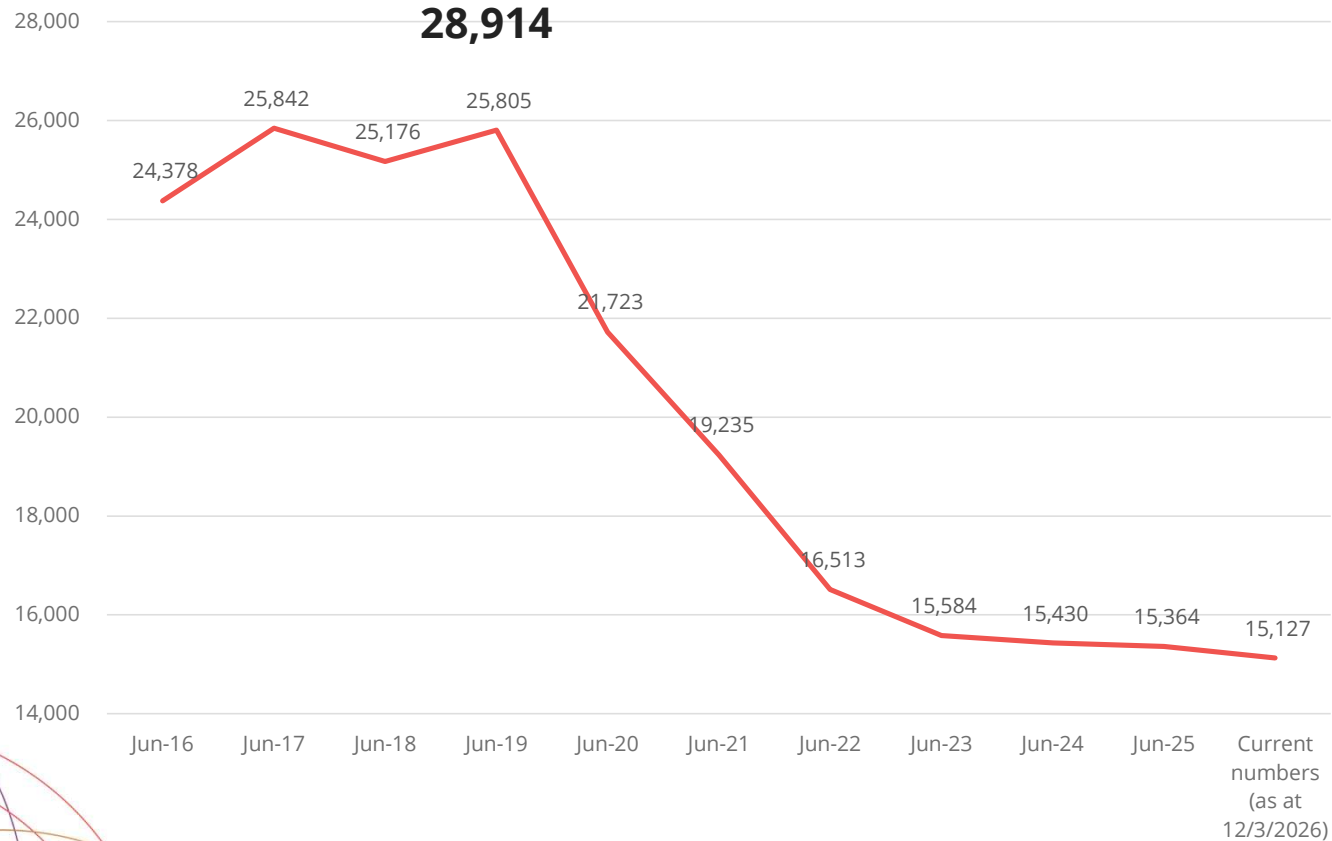
f a a a  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

A dark blue circular logo containing the FAAA logo and text. The logo consists of the letters 'f', 'a', 'a', 'a' in a stylized font, with the 'f' in black, the first 'a' in orange, the second 'a' in red, and the third 'a' in purple. Below the letters, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a white, sans-serif font.

f a a a  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

# Financial adviser numbers

**All-time peak:  
28,914**

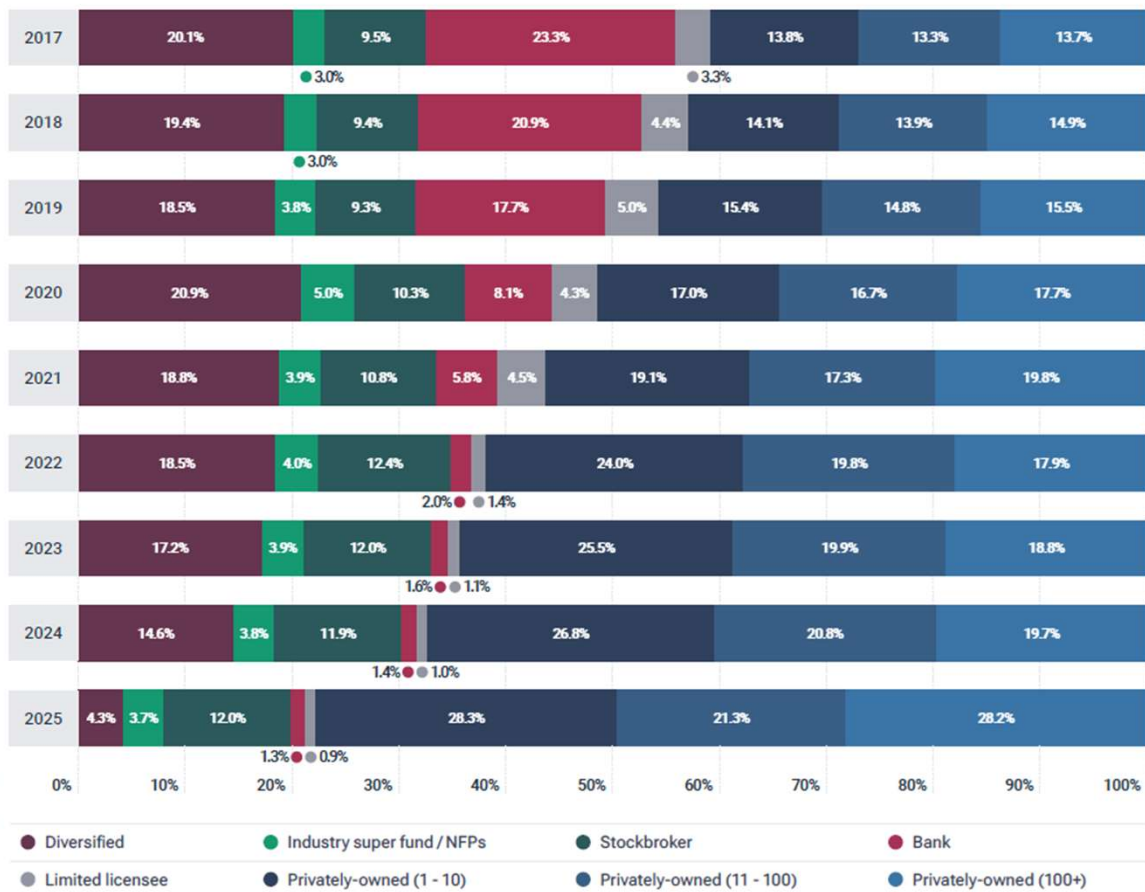


**Average age: 52**

**% female: 22%**

# Financial adviser licensing

Source: ARdata. Note: Dates indicate survey year.



82% of AFSLs are now privately owned, with 10 or less advisers

Source: Financial Advice Landscape report, Adviser Ratings, August 2025

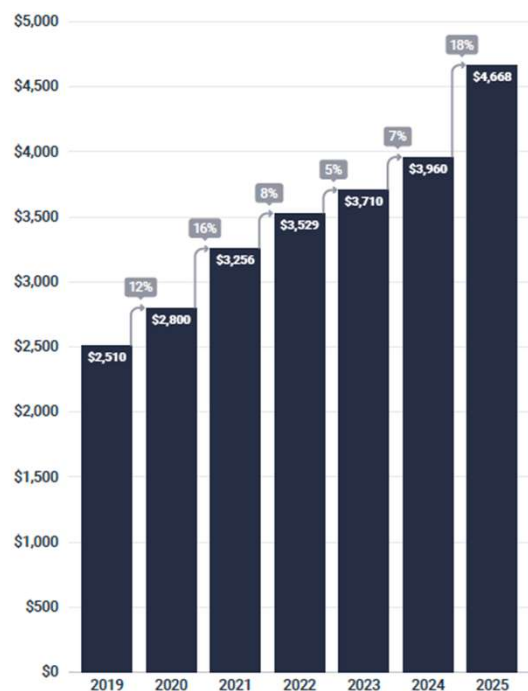


# Financial adviser practices

Currently 6,073 advice practices in Australia

## Median advice fees

Source: ARdata. Note: Dates indicate survey year.



## Funds under advice per adviser

Source: ARdata. Note: Dates indicate survey year.

### Australia



Source: Financial Advice Landscape report, Adviser Ratings, August 2025

Around 58-62%\* of advice practices use managed accounts, with more intending to do so in future.

\*Various research sources

# Financial advice – Key challenges



f<sub>1</sub>q<sub>2</sub>q<sub>3</sub>q<sub>4</sub>  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA



f<sub>1</sub>q<sub>2</sub>q<sub>3</sub>q<sub>4</sub>  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

# Major challenges nominated by our members

- Red tape
- Input costs
  - Unique to sector (ASIC, CSLR etc)
  - Economy-wide
- Staffing
  - Finding, recruiting and keeping great people
  - Cost of the above
- Technology
  - Selecting and managing the 'stack'
  - Cyber security
  - AI
- Defending the profession
  - Consumers, regulators, government

Send additions / examples to:  
**[policy@faaa.au](mailto:policy@faaa.au)**

# ASIC priorities – managed accounts

A large, light grey speech bubble containing the FAAA logo and text. The logo consists of the letters 'f', 'a', 'a', 'a' in a stylized font with orange, red, and purple colors. Below the logo, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a dark blue, sans-serif font. The background of the slide features abstract, overlapping curved lines in orange, red, and purple.

f a a a  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

A dark blue circular logo containing the FAAA logo and text. The logo consists of the letters 'f', 'a', 'a', 'a' in a stylized font with orange, red, and purple colors. Below the logo, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a white, sans-serif font.

f a a a  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

# ASIC review

- Managed accounts a priority in ASIC 2025/26 corporate plan
- Surveillance has started (late 2025)
  - Licensees
  - Providers
- Unsure if 'risk weighted'
- Focus on:
  - Incentives including sales & revenue targets
  - Management of conflicts
  - Governance frameworks
  - Conduct obligations
  - Consumer outcomes
  - Transparency: holdings, fees
- Questions so far very broad: eg "all contracts and correspondence"
- ASIC info: review is well-underway. Expect to hear more later this (calendar) year



# ASIC review (cont.)

- Satisfying BID
  - Evidence of consideration of individual client needs & goals (risk profile, tax issues, liquidity needs, time horizon, income needed, preferences eg ESG – etc)
  - No 'cookie cutter' advice (eg re-wording strategy as client goal)
  - Due diligence & ongoing monitoring
  - No conflicted remuneration or inappropriate incentives
- Other red flags
  - No independent oversight
  - Related party products
  - Fees: high, layered, and/or not transparent
  - Persistent underperformance with no action
- Shameless plug:
  - **Adviser voice CPD article: Managed Accounts in the ASIC spotlight – compliance essentials for advisers**

# Advocacy focus – 2026

A large, light grey speech bubble containing the FAAA logo and text. The logo consists of a lowercase 'f' in dark blue, followed by three uppercase 'a's in orange, red, and purple respectively. Below the logo, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a dark blue, sans-serif font. The background of the slide features abstract, overlapping curved lines in orange, red, and purple.

**f**aaa  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

A dark blue circular logo containing the FAAA logo and text. The logo consists of a lowercase 'f' in dark blue, followed by three uppercase 'a's in orange, red, and purple respectively. Below the logo, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a white, sans-serif font.

**f**aaa  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

# Education reforms

- Advocacy with JAWG to make standard for new entrants more flexible
- Recognise more of related degrees
- Reduce core learning areas from 11 to 5, broaden 'electives'
  - Government has further reduced these to 4
- 2 years of engagement
- Minister announcement of consultation on 17 March 2026

# CSLR – The latest news

- 17/11/2025: CSLR issued initial estimate for the 2026/27 year
  - Total cost \$137.5m, of which \$126.9m is for the financial advice profession.
  - Excludes Shield and First Guardian
- 10/12/2025: Minister decision on \$47.3m Special Levy for 2025/26
  - broad allocation across multiple sectors on the basis of the ASIC Funding Levy
  - Advice allocated \$10.4m – 22%
- Next bill to come in April: c. \$2k per adviser
- Two consultations issued & now closed:
  - review of PI Insurance in December 2025
  - review of Managed Investment Schemes in February 2026.
- Broader review to commence within a month

# AML/CTF Reforms

- Due to commence in 2026 (31 March and 1 July)
- FAAA Goals
  - Retain the Item 54 exemptions
  - Avoid being unreasonably captured by the new Tranche 2 services
- Why is this important
  - Exemptions include no ongoing CDD, no compliance reporting, no AML/CTF Officer, no independent review and reduced Governance obligations
  - The Item 54 exemptions do not apply to entities captured by the Tranche 2 services
- Managed account complications
  - Operators of managed accounts could be caught by Tranche 2
  - Using managed accounts offered by a separate provider unclear, seeking clarity from AUSTRAC
    - item 3 “Receiving, holding, controlling, or managing property to facilitate transactions”

# DBFO: Things have clearly changed

Professional  
PLANNER

## DBFO a 'time-sensitive' and important reform: Mulino



Minister for Financial Services and Assistant Treasurer Daniel Mulino at the Conexus Retirement Leaders Summit. Photo: Jack Smith.



Simon Hoyle  
August 13, 2025 | 7.09pm

SAVE ARTICLE



Minister for Financial Services and Assistant Treasurer Daniel Mulino says he aims to have draft legislation for Tranche 2b of the Delivering Better Financial Outcomes reforms released "this year, and as soon as possible".

Professional  
PLANNER

## DBFO new class of adviser unlikely to survive Shield, First Guardian fallout



Chris Dastoor  
February 4, 2026 | 4.24pm

EXCLUSIVE

SAVE ARTICLE



Minister for Financial Services Daniel Mulino has concerns about legislating the new class of adviser and continuing the Delivering Better Financial Outcomes due to the Shield and First Guardian collapse.

FQAA  
FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

# Key Developments – Shield and First Guardian

- ASIC secured compensation for capital losses on behalf of clients of Macquarie (\$321m) and Netwealth (\$101m)
- ASIC commenced legal proceedings against Equity Trustees, Diversa, SQM research, Interprac, MWL Financial Services, Ferris Mehri and lead generators
- APRA placed license conditions on Equity Trustees and Diversa
- AFCA issued lead cases for each of the five advice licensees who were involved in the advising on Shield or First Guardian products. In each of the cases, AFCA found in favour of the client
- AFCA indefinitely extended membership insolvent licensees to enable more clients to claim compensation
- On 5 February 2026, ASIC said they will soon be writing to Shield and First Guardian clients encouraging them to make a complaint to AFCA. They stressed that less than 2,000 of the roughly 12,000 impacted clients have complained so far
- New consultation expected later this month



**Thank you**



FINANCIAL ADVICE  
ASSOCIATION AUSTRALIA

The logo for the Financial Advice Association Australia (FAAAA) is displayed within a white speech bubble. The logo consists of the letters 'f' and 'a' in a lowercase, sans-serif font. The 'f' is black, and the 'a' is orange. This is followed by three 'a's: the first is orange, the second is red, and the third is purple. Below the logo, the text 'FINANCIAL ADVICE ASSOCIATION AUSTRALIA' is written in a black, uppercase, sans-serif font, arranged in two lines.