

17 April 2026

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

Via Email: financialadvice@treasury.gov.au

RE: Submission on Education Standards Reform Principles – April 2026

Dear Sir / Madam,

1. Introduction

Grain Trade Australia (GTA) welcomes the opportunity to provide feedback on the proposed reforms to the education standards for financial advisers.

GTA previously provided a submission to the “*Education Standards Reform Principles*” consultation in November 2024. In that submission, GTA raised concerns regarding the application of a “*one size fits all*” approach to education standards across fundamentally different types of financial advice. We acknowledge that a number of the issues raised in our previous submission have been considered in the development of the proposed framework. In particular, we support:

- the move away from the rigid approved degree model,
- the inclusion of broader tertiary degree pathways (including agribusiness and agricultural economics), and
- the reduction in prescription within the curriculum.

These are practical and supported improvements.

That said, there are still some areas where the framework does not sufficiently reflect how advice is actually delivered in parts of the market, particularly in industries such as agriculture.

2. Regional access is still the core issue

From GTA’s perspective, a significant issue this reform should be trying to solve is that quite simply **there are not enough advisers**, particularly in rural and regional areas.

GTA members operate in regional Australia and work directly with grain producers and consumers. In many cases, they are the only source of structured, informed advice available to those clients in relation to commodity pricing and grain supply chain risk management.

While the proposed framework improves flexibility on paper, a key question is whether it will actually translate into:

- more people entering the industry particularly in regional areas, and
- more businesses being able to train and retain those people.

There are still real constraints in regional settings:

- limited access to **relevant** university courses,
- higher costs (both time and financial) to meet education requirements, and
- difficulty attracting new entrants into what is already a niche field.

If this framework is not workable in practice, the outcome will remain the same, ie reduced access to proper advice and increased reliance on informal or unregulated sources.

In our view, this is where the framework needs to work hardest.

3. The framework is better — but still assumes a uniform model of advice

GTA supports the idea of a baseline education standard. That is not the key issue. The key issue is that the framework still largely assumes that all advisers are working toward a similar end — namely, providing broad, ongoing wholistic financial and investment advice to retail clients.

That is not the case for a number of sectors.

GTA members provide advice that is:

- specific in scope,
- transactional in nature, and
- directly linked to managing price and production risk in commodity markets.

This includes:

- grain marketing decisions,
- use of derivatives (futures, options, OTC managed products and swaps),
- foreign exchange exposure,
- physical contracting strategies (non AFSL), and
- Least cost pathways.

This is not holistic financial planning. It is not advice about superannuation, retirement or wealth accumulation. It is commercial risk management tied to the production and sale of an agricultural commodity, specifically grain.

The framework gets closer to recognising this by:

- reducing curriculum prescription, and
- shifting responsibility to licensees.

But it falls short of clearly acknowledging and articulating that different advice models *require different competency profiles*.

4. Production-linked and transaction-based advice focused on risk management— this gap remains

The paper does not fully recognise the difference between standard retail advice and the type of advice provided in agricultural settings, which is primarily transaction-based and aimed at managing production and market risks.

Grain producers and consumers are often treated as retail clients under the law, but in practice:

- they operate established commercial businesses often with substantial net tangible assets,
- they are exposed to real market risk, and
- they regularly make complex financial and operational decisions.

The advice provided to them:

- is time-sensitive and transaction-based,
- relates to managing known risks (production, cash price, logistical constraints, currency, contract executions), and
- is directly tied to business operations.

- AFS advice is part of a toolbox of risk management levers, both AFSL, and non AFSL, used together to mitigate grain production risk.

This is a very different context to a typical retail client seeking advice on superannuation, personal insurance and investments.

The current framework does not fully grapple with this distinction. As a result, there is a risk that:

- education and training requirements are calibrated to the wrong risk profile, and
- unnecessary barriers and costs remain in place for advisers operating in these environments.

GTA is not suggesting lower standards. The point is that standards should be relevant to the advice being provided and the client context.

5. Consumer protection – different risks, not no risk

We recognise the Government's focus on consumer protection and the risks associated with poor quality advice.

However, consumer risk is not uniform across all advice types. In the context of agricultural commodity advice:

- clients are generally commercially experienced,
- decisions are tied to underlying production and market exposure, and
- outcomes are visible and measurable in relatively short timeframes.

This does not remove risk, but it is a different type of risk to that faced by retail consumers making long-term financial and investment decisions.

If the framework does not take this into account, there is a risk of:

- over-regulating lower-risk or more commercially sophisticated environments, while
- not materially improving outcomes for higher-risk segments.

A more risk-based and context-aware approach would better support both consumer protection and access to advice.

6. Role of licensees – this is where the framework needs to land

One of the more positive aspects of the proposal is the increased reliance on AFS licensees to determine adviser competence.

In practice, this is how the system already operates.

Licensees are best placed to determine:

- what their advisers need to know,
- what experience is relevant, and
- what additional training is required for specific roles.

For this to work effectively, it would be helpful for the framework to more clearly state that:

- competency should align with the scope of advice authorised under the AFSL, and
- relevant prior experience (e.g. trading, agronomy, logistics, market operations) can be recognised as part of that competency.

This would allow the baseline education standard to operate as intended, while ensuring advisers are appropriately trained for the roles they actually perform.

Link to education: To maximise the benefits of this approach, education requirements should focus on practical, market-relevant skills that complement the real-world responsibilities assessed by licensees. Ensuring that formal learning is directly applicable to transactional and production-linked advice strengthens the ability of licensees to tailor ongoing supervision and development for their advisers.

From a grain industry perspective, in addition to areas such as commerce and economics, all agriculture science, applied science and broader agribusiness degrees are directly relevant.

7. Financial concepts subjects

GTA supports the broader and more flexible list of financial concepts subjects, including the inclusion of agribusiness and agricultural economics.

Given the context and nature of advice provided in agricultural commodity markets, it would be beneficial to ensure that:

- derivatives and hedging,
- commodity market structures, and
- foreign exchange risk

are clearly recognised as relevant areas of study within this component.

Suggested enhancement: The “Financial Advice Fundamentals” subject could be adapted to focus on practical, market-relevant skills that align with real-world advisory roles, including production-linked advice, transaction management, and risk management. This approach would ensure new entrants acquire knowledge and competencies that are immediately applicable to the environments in which they operate, rather than concentrating primarily on traditional insurance, superannuation, or investment planning topics.

Aligning the curriculum in this way would strengthen the connection between formal education and on-the-job responsibilities, particularly in specialised contexts such as agriculture/grains, while maintaining the academic rigor and professional standards expected under the framework.

GTA understands that some tertiary education providers are already designing courses covering these areas, and elements from these programs could be considered for inclusion under the new qualification’s standard. Integrating such content would preserve rigorous educational outcomes while improving the relevance and applicability of the curriculum for industry participants.

Adjusting the final requirement to reflect this practical, market-oriented approach would bring the qualifications standard closer to a future-ready framework that supports both industry needs and consumer protection.

8. Professional year and CPD

We acknowledge that the professional year (PY) and continuing professional development (CPD) requirements are intended to maintain professional standards.

However, these requirements can be difficult to implement in regional and specialised contexts. There would be value in allowing:

- recognition of prior relevant experience toward PY requirements, and
- greater flexibility in how CPD is structured, so that it reflects the actual work undertaken by advisers in different sectors.

From a broader implementation perspective, the effectiveness of the proposed framework will depend on how clearly and consistently the qualification requirements are applied in practice.

It will be important to ensure that:

- the process for assessing whether a candidate satisfies the “financial concepts” requirement is clear and straightforward, and

- licensees are able to make these assessments efficiently without the need for detailed subject-by-subject mapping or interpretation.

If the framework is complex to administer, there is a risk of inconsistent application across licensees, increased administrative burden—particularly for smaller or regional firms—and uncertainty for prospective entrants about whether their qualifications will be recognised.

9. Implementation

The success of these reforms will depend heavily on implementation. In particular:

- transition timeframes will need to be realistic, with potentially longer timeframes in rural locations,
- higher education providers will require sufficient lead time, and
- regional students and part-time pathways should be considered.

Given the difficulty in recruitment in regional areas, all avenues to provide flexibility will be important to successful outcomes.

Clear guidance, practical implementation support, and a framework that is simple to apply and consistent across the industry will be critical to ensuring these reforms deliver improved access to practical financial advice, particularly in regional and specialised sectors such as agriculture.

10. Conclusion

GTA supports the direction of the proposed reforms and acknowledges that they address a number of issues raised in previous consultations.

The remaining challenge is to ensure that the framework works in practice across different parts of the industry.

In particular, further consideration should be given to:

- improving access to advice in rural and regional Australia,
- recognising different contexts and therefore advice models and competency requirements, and
- better reflecting the distinction between retail and production and commodity risk advisory contexts.

Addressing these issues will help ensure the reforms deliver not just more advisers, but the right advisers **who are competent, market-ready, and contextually aware**, especially in regional and specialised sectors. From GTA's perspective, ensuring the framework is workable in practice—particularly in regional and specialised contexts—is just as important as the policy design itself. This reform is important to successful industry outcomes while preserving consumer protection and professional standards.

GTA welcomes the opportunity to continue engaging with Government on these issues.

Please do not hesitate to contact GTA on these and any other issues.

Yours faithfully,



Pat O'Shannassy
CEO, Grain Trade Australia