



## MEDIA RELEASE

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### **GREEN PAPER EXPLORES OPPORTUNITIES TO MODERNISE THE FINANCIAL ADVICE LICENSING FRAMEWORK**

The Financial Services Council (FSC) today releases a [Green Paper](#) examining the case for reforming Australia’s financial advice licensing framework to better protect consumers, support a diverse and professional advice sector, and ensure the regulatory model remains fit for purpose in a changing environment.

Informed by research from CoreData, [The Value and Future of Advice Licensing: FSC Green Paper on the Advice Licensing Framework](#) invites a broad, forward-looking conversation about how the licensing regime needs to adapt to meet today’s challenges. Central to this is a growing concern that risks in the system are no longer appropriately accounted for or borne fairly amongst the varied industry participants.

The paper explores how industry fragmentation, varied financial requirements and professional indemnity insurance coverage, the introduction of the Compensation Scheme of Last Resort (CSLR), and finite regulator resourcing are combining to increase systemic risk in the financial advice industry. In this context, it is timely to re-examine the licensing framework.

CEO of the FSC Blake Briggs said: “A series of reforms have helped financial advice mature into a true profession. But the licensing framework that underpins it has not had a holistic review since its inception almost 25 years ago. It was never designed for the scale, structure, or regulatory complexity of the industry today.”

The paper notes that while adviser numbers have declined overall, more than 450 new micro Australian Financial Services (AFS) licensees (firms with less than 10 advisers) have been approved since 2020. The paper acknowledges there is a legitimate place for licensees of varying scale in the market in response to adviser needs and preferences, but consideration must also be given to ensure the regulatory framework is appropriately robust so the regulator can meaningfully supervise an increasingly diverse advice market and to ensure that consumer protection and governance obligations are met, across all licensees.

“With the Government’s advice reforms already well advanced, the next step is ensuring the licensing framework continues to support a professional, sustainable and trusted industry across all business sizes,” Mr Briggs said.

The Green Paper invites dialogue and suggestions on how to modernise the licensing regime to better align with the needs of advisers, advice licensees, consumers and regulators.

It invites discussion on several proposals that aim to create:

- A recalibrated licensing regime that responds to firm diversity
- Balanced accountability between licensees and advisers that empowers individual practitioners
- Financial resource and other requirements that adequately protect consumers

Industry and public feedback will inform the *FSC White Paper on the Future of Advice Licensing*, released in early 2026. Consultation on the Green Paper is open until Friday, 21 November 2025 and submissions can be sent to the FSC’s [financial advice team](#).

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#### **About the Financial Services Council**

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia’s largest industry sectors, financial services. Our Full Members represent Australia’s retail and wholesale funds management businesses, superannuation funds and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.