

TechKnow Podcast – March 2026 – *Looking ahead in 2026 – part 2*

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Synopsis

In part 2 of the TechKnow podcast on the regulatory change agenda for 2026, Bryan Ashenden, Head of Financial Literacy and Advocacy, BT Financial Group, and Blake Briggs, CEO of the Financial Services Council explore the progress of the Quality of Advice Review (QAR) and the Delivering Better Financial Outcomes (DBFO) reforms, as well as examining the emerging concept of a new class of adviser designed to help bridge the advice gap for unadvised Australians. The discussion also covers the growing role of AI in financial advice, balancing productivity gains with consumer protections, and considers whether Australia's licensing framework remains fit for purpose in a rapidly evolving advice landscape.

Transcript

Bryan Ashenden (BA)

Welcome back for part two of our podcast series about regulatory change agenda for 2026. Hello and welcome to this TechKnow podcast, brought to you by the BT Technical Services team. My name is Bryan Ashenden and I have the pleasure of leading the BT Technical Services team. Team of qualified individuals who are here to help you as advisers deliver strategies to clients that'll make a difference to their future.

Before we begin, I would like to acknowledge the traditional owners of the land in which we are recording today, the Gadigal people of the urination here in Sydney, and pay my respects to elders past, present, and emerging.

Now, joining me for today's podcast again welcome back. Blake Briggs, CEO of the Financial Services Council. Now Blake, welcome back to part two. Looking forward to more interesting discussions.

Blake Briggs (BB)

Yeah, fantastic to be back with you, Bryan.

BA

Yeah that's great. Alright, we'll start with the topic of the Quality of Advice Review (QAR) and the Government's response through its Delivering Better Financial Outcomes (DBFO) package of reforms.

Now, Blake, despite the wishes of many during 2025, it really didn't see much progress being made, at least publicly, around the final tranche of reforms post-release of the Quality of Advice Review back in February 2023. So now we're three years on. Do you foresee that we might have any meaningful progress this year?

BB

Uh look, I think that assessment is correct, that it's slowed down. Now to be fair to the former minister, Stephen Jones, this was a priority for him and an enormous amount of work was going on behind the scenes, both in the political offices, but also in Treasury to try to land what had the risk of being quite a controversial set of reforms within industry and with consumer groups and reach a consistent consensus position.

So I do want to give him credit for the work that he did. That work in Treasury has continued on, but certainly it slowed down and I'm sure we'll get into things like the impact of Shield and First Guardian as part of this discussion. Now, the one positive thing that's happened in this debate is that the potential for industry consensus around the final form of a set of reforms is there.

And so I individually have done a lot of work in my counterparts like Elissa [Freeman] at Super Consumers and the advice bodies to make sure that, even though there are things that we disagree on, we've identified what we need to work through. And there is a common goal to try to get to a consensus position so that we can de-risk the package for the Government.

The issue is that it's probably slipped down the hierarchy of priorities for the Government. And so the likelihood of them embracing that opportunity is pretty low, at least in the foreseeable future. But the opportunity is there if we all continue to push the Government on it.

BA

Yeah. And I think that's a really positive piece in the sense of the ability for industry to come to a consensus before we have legislation finalised so that we don't run the issues afterwards going, 'but what about, but what about, but what about?' so sometimes the delays can be a positive.

BB

Yeah, absolutely. And despite the fact that there was some debate around 'was the tranche approach the right one?' what it successfully did was narrow down the range of issues that we're debating about so that we could isolate where we disagreed as opposed to trying to have this holistic discussion all at once, which would've gone off the rails.

We've narrowed it down to some key things around Best Interest Duty, the new category adviser, and if we can solve for those, as I said, we can make it much easier for the current minister, Dr Mulino to get this through Parliament should he choose to do so.

BA

Uh, good points. Well, let's pick up on, on some of those.

So for the first one, the proposed changes to the existing Best Interest Duty to modernise, to make it scalable, make it fit for purpose, and obviously the Government's certainly initially stated intention about removing the current safe harbour steps seems to potentially be one of the more contentious areas, particularly in terms of 'how do you make it work depending on who's providing the advice?'

Is it the fully fledged financial adviser or relevant provider in the legislative terms? Or if it was perhaps being provided by this new class of adviser, and I guess the question that comes up, I'd be interested in your thoughts on this is, has it all been stalled because of some of the issues that have come up around Shield and First Guardian related advice?

So any thoughts in that area? How might this play out into the future? What are some of the opportunities that this might give us?

BB

Yeah. The Best Interest Duty part of the reforms is the most difficult part for Treasury to wrap its head around an alternate courses of action. The commitment from the Government was for a holistically revamped Best Interest Duty.

The FSC did a lot of work, both in our advice whitepaper as well as behind the scenes on what a new duty could look like. But I think they've really struggled to bed down any alternative methodology. And from our understanding with our discussions with Treasury, this is probably the one part of the reforms that they're still working on how to draft it and it's quite difficult.

So there's probably two courses of action to them. One is: a lot of the superannuation funds who don't have existing advice infrastructure internally would like to see a fundamentally redesigned Best Interest Duty so that they know the new category adviser who will have to comply with it, has a clear set of rules for them to implement.

Those organisations who have already quite sophisticated or advice businesses themselves, they go, well, look, a materially reformed Best Interest Duty would be a great outcome. But if that's too hard. Obviously little g [subsection (g) of section 961B(2) of the Corporations Act – the catch all, last step in the safe harbour defence to the best interests duty] is the one that prevents the really important change around being able to scope advice with the client and hence then also be able to scale it up to cater to more customers.

So there is an alternate path here, which is instead of holistic reform of the duty, it is actually just repeal little g. And I think that would go a lot of the way to solving the problem. But for a lot of the industry funds in particular, for whom the FOFA rules were really sacrosanct, the idea of accepting that there was a stake there and having that little catch-all clause, might be a bridge too far, but there is an option there to push through.

BA

Yeah, and I think it's probably an important one to consider, as you say, it's that little g seventh step in the safe harbour steps, the one that's always, since the day of introduction people have always questioned about how far does it go and does that prevent the scalable advice.

BB

And if you look at how ASIC uses the Best Interest Duty steps, they love to have a checklist. It's very easy for the regulator, and I don't mean to be too disparaging here, but it's very easy for the regulator to look at files and say, have you gone through all of these steps?

And it's basically a checklist. and if you haven't, then your advice is non-compliant regardless of whether or not it's actually good for the consumer. So it's a very technocratic way of testing good advice and compliance. But then you get to little g and there is no end to the extent to which you can interrogate that, and the amount of work that goes into it. And we think that does a lot to drive up the cost of advice as well as creating regulatory uncertainty for advice providers. So if we do want to allow advisers and their clients to agree on the scope, little g is the main barrier to that.

BA

Yeah. Alright. Well I think, as you sort of say for particularly superannuation funds who, don't yet have that advice model in place, and are considering the new class of adviser, to perhaps solve some of those issues for them, this is certainly one of those areas that is gonna be interesting to see how it plays out.

Where could that new class or category of adviser actually sit? To date, I think certainly since it was first discussed, there's been a lot of focus on the benefits that this new class adviser might have to actually help more Australians – and, we're talking about the mass of unadvised Australians – really be able to access advice, at least around these superannuation funds and their savings in that space.

On the flip side, it's also important to consider how could that new class of adviser actually work within an established advice business itself, perhaps providing more pathways for the profession to actually grow, to enable those businesses to operate more efficiently.

So let the fully fledged adviser deal with certain issues and perhaps a new class of adviser deal with some of the simpler ones that might come into their practice. How do you think this might play out? Is it potentially going to be that wide or might it be a step one, step two sort of approach? What could we see?

BB

I think your description around the dynamics is quite accurate. My observation would be when the concept was first put out, it was quite polarising. And there was an assumption underpinning that, that this was something that the minister was doing just for industry funds and that it would be a competitive threat to advice businesses.

And so that caused the polarisation. I think one of the benefits of having some time to digest the concept and debate it is you're absolutely right. I think the heat has gone out of it, and there's a sensible centre that's emerged and that's around this category. Advisers need to be catering to middle Australia, a section that the current advice models really can't cater to because they can't afford to pay for complex personal advice. But that it will also allow advice businesses to expand the reach and the number of people that they can service by, folks on those simpler areas.

So I think it is a model if well designed, can cater to both business models, and allow expansion of personal advice in various different forums. And that means that there is the opportunity for more Australians to get advice, which is the policy aim, but for all the parties to play. One of the principles that's been really important to the Financial Services Council has been the concept of competitive neutrality.

If it was designed in a way to specifically cater to one part of the industry, then it would crowd out competition. But as we see, I think we've won that debate that it needs to be utilised by the industry more broadly with appropriate barriers around the sorts of topics that these advisers or whatever we want to call them, can work with consumers on.

But we need to make sure that it does fill in that missing middle.

BA

Yeah, that's a really important piece as well because I think, we've got to come back and take that big picture view, which is ultimately people who get advice are better off. And if we can encourage more people to seek advice, to have access to advice, even if it is just starting off with their superannuation and it might be through their superannuation fund that they start to see the benefits and then think about, okay, well what else should I be thinking about? How can we take this broader? And that might be when they then need to transition to actually see a fully fledged financial adviser.

BB

That's right. If you think about the role they can play as a bridge between being completely unadvised and getting full personal advice... First of all, if you genuinely believe as we do that getting some advice will help you build your wealth over your lifetime. This means you're more likely to get some advice at an earlier age and end up with more superannuation, which means there'll be a bigger body of clients that want full fledged advice later in life as they approach retirement. That's positive for the market and positive for consumers. It also creates that pipeline of future advisers.

So I know one constant feedback from I get from my advice business members is that there is a commitment to train up the next generation of advisers, but there is also a very high degree of poaching of advisers between businesses. And that undermines the economics of that investment.

We need some of these large institutions who have the capacity to invest in the next generation to bring someone into the NCA category, and then all of a sudden these people will start going, actually, I quite like helping people with their financial affairs, and I, I'm pretty good at it and I can make some serious money. I'm gonna become a full yfledged adviser. I'm gonna do the necessary training and go on that career journey. And that's the generation of advisers coming through to replace the ones that we currently have.

BA

Yeah. I think sometimes the way I liken it is to certainly what it used to be the case when I first started in the accounting professions where graduates would leave, they would go join one of the large accounting firms, spend their first three or so years there, do their professional year requirements, and then sort of make a decision. Do they want to stay there or do they want to go out into the corporate world?

BB

Yep.

BA

Uh, but again, you've got those large institutions that assist with doing the training...

BB

Yep.

BA

... getting people up to speed, getting some experience before they actually then start to go out and broaden their horizons and do more.

So I think that's right. we've seen it in other models that it can work. Hopefully we'll get to the same spot. The one other area around the Quality of Advice Reforms that always comes into play here and that obviously does need to be solved some way is those proposed changes to the statement of advice, and bringing in this new client advice record. I guess it's a question about do we think what the Government has proposed at this point in time can really make a difference? I think it certainly provides the opportunity to have more flexibility around how the advice document is actually provided, than perhaps exists under existing legislation.

A lot of the commentary when the draft was released in this area sort of said it actually doesn't seem to have changed so much. What needs to be contained in there? Again, from your membership base, your discussions, how do we think this one might play out at the end of the day?

BB

That criticism is fair.

In our opinion, it's the right way to think about it. The client advice record needs to deliver the genuine deregulation part of these reforms. That's where some of the cost savings to consumers and advisers is derived from. And if this is not done properly, that deregulation component disappears.

And the benefits, the advice industry is significantly reduced. So it needs to get this right, it needs to be deregulatory. There's two parts to achieving that. One is the delivery method, so technology neutrality. And the other one is the content. The criticism that the content was still quite rigid, and that it then therefore lent... to the content requirements and that it therefore lends itself to a reg compliance approach where you use this document or

however it's delivered to show your advice was compliant and it's directed towards ASIC as opposed to the needs of the consumer was very real.

And I think that's something that needs to get addressed in any final drafting. What we need to be able to see is the capacity for the document to be focused on the information the consumer needs to understand and implement the advice should they wish to do so, and my criticism of ASIC earlier that they love a tick a box exercise.

These should not be documents or artifacts for the purpose of demonstrating to ASIC that you've ticked off all the compliant parts to make them happy, otherwise consumers – and we've all seen it before – if it's a too complex process, consumers' eyes glaze over. They don't understand the conversation that's been had with them and the advice experience is undermined. So it is something it needs to get right. They haven't yet. I think they've heard this message. And so if we are fortunate enough to get to the starting point of another a package of reforms, I hope to see this one fixed.

BA

Alright, well, it's time to take a short break but please don't go anywhere. We'll be back in less than a minute to continue our discussion with Blake on the regulatory change agenda for 2026.

<BREAK>

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BA

Alright, well welcome back, continue our discussion with Blake Briggs, CEO from the Financial Services Council.

Another area. Artificial intelligence or AI for anyone who has missed it. AI is here and is playing an increasing role in of all of our lives professionally and personally. I'd be interested to know what do you see the future for AI in the financial advice profession looks like, and to what extent do you think we could see some real integration?

BB

Look, the opportunity is significant. We spent a bit of time at the FSC engaging with both Australian but also global businesses about where AI has been integrated and you cannot understate the range of, not just pilots, but opportunities for integration that businesses are identifying and are currently trialling and looking to roll out.

Advice is absolutely part of that as well. We're actually hosting our own event in May, which is a technology and financial services event the FSC is putting on. And we'll be taking a deep dive into the integration of AI into advice processes and having some of the advice businesses there talking about what they're doing.

Now, I think at the early stages, the focus is very much about operational efficiency. So it is about how can we make sure that advisers spend more time doing what they do best, which is sitting down with their clients and doing their value add as opposed to having to spend lots of time doing the operational work behind the scenes.

And so there is, cost and efficiency gains in the near term, but without a doubt the opportunity there is there for AI to play a bigger role in improving the customer delivery supplemented by the human element. Are we going to get to a point anytime soon where all of your engagement with customers is done through an AI model?

Look, I think it'll probably take longer to play through, especially because there will need to be a regulatory framework about the use of AI. And I know ASIC and government are doing a lot of thinking about that.

But is there definitely the opportunity to utilise this technology, to improve the service that customers get from advisers, improve their efficiency, lower their cost, and allow advisers to spend more time doing what they do best? Absolutely there is.

BA

Yeah. I guess that the fear of many has always been that the AI bots will end up replacing the role of a professional or a personalised approach of meeting with an actual financial adviser itself.

And, I guess some of that fear and risk is understandable. But when you think about it, if the ability of an AI led solution to financial advice – certainly for simpler advice however we want to define that – allows more Australians to access advice. Surely that's got to be a good thing at the end of the day.

BB

That's right. I don't think there is a scenario in which personal advice provided by a human could ever be so cost effective that is there for all categories of Australians. There is a cohort of Australians who would benefit from digital advice, but whatever technology platform is used, be it AI or other things, in order to get the right information to a consumer to help them make better decisions at different stage of their life, then that's a positive for them. As I said, there will need to be guardrails around its use. It cannot be coated in product flogs and all the rest of it. I think we need to make sure that it's actually still in the best interest of consumers, but the opportunity's enormous.

BA

Yeah. And you've touched on this, but obviously there are some potential risks that could come up that you were talking about how the Government and regulators are looking at it in the sense of 'if something goes wrong, who should be liable?'

I mean, you can't impose a financial penalty or send a piece of coding itself to jail.

BB

No, you're absolutely right. And ASIC is doing deep thinking about this and needs to do so. There is a really interesting question at the moment where you can go to ChatGPT and it will give you personal financial advice.

One of my executives recently tells a story about going on to ChatGPT and asking for advice about where to invest some surplus funds. And the advice it gave was into AI ETFs. So, it sounds pretty conflicted to me but it is personal advice. It's not compliant with the Corps Act obligations.

There'd be a fascinating situation if ASIC ever took action against ChatGPT for providing personal advice to Australians without a license to do so. I'm not saying that's on the horizon, but at the moment you can get unlicensed financial advice from AI models that are currently out there.

And I have no doubt that as more and more people get comfortable using things like AI support tools on their phones, that becomes the new version of having a chat around the barbecue and getting some ad hoc advice from friends and family about what to do with your savings and there's risk written all over that.

BA

Yeah. Well, it'd be an interesting one to keep an eye on the future, see how things develop.

BA

Yeah, absolutely. Alright, so one last area, just to finish off, the future of Licensing in Australia around financial advice and the role of the actual licensee itself, the AFSL. I know it's something the FSC has been taking a leading position on to get the discussion happening.

What should the financial services landscape around advice actually look like, into the future. So I'd just be interested to know, what are some of the major areas that the Financial Services Council think should be discussed? And perhaps what changes would you like to see come out as a result of this?

BB

We put out a green paper late last year, canvassing a range of options to look at the AFSL regime for advice businesses. In short, the regime hasn't changed in 20 years, and so some aspects of it work well, but we felt it was incumbent on an organisation like ours that has the resources and expertise to do so, is to say 'is it still fit for purpose?'

Because the advice industry we have now is very different from the one that was there 20 years ago. Some of the big thematic changes were things like 450 new micro licensees setting up, so businesses with unattended advisers just in the last couple of years. We tried not to take a position on whether or not that was good or bad, and we tried to understand the drivers around control of running your own business that have motivated those changes.

But does the licensing regime cater to that new structure? We have had some options out there. Some of them deliberately are quite provocative because we wanted to elicit a response because otherwise these things can kind of go out there and disappear and get ignored. So we're deliberately quite provocative and we're taking that feedback very seriously on those.

It's also proven to be timely because with the Shield and First Guardian washup, the licensing framework for advice businesses, the capital obligations, the insurance requirements are all current debates. And so already having a piece of work in train that said, 'where is this regulatory framework, where can it be fine tuned?' has been really important.

Where do I think this will go? I think, some of those changes around 'does ASIC have a risk-based approach to advice?' Business monitoring is an important question because it's very easy to go to a big couple of advice businesses and think you're having an impact on the broader market.

But now we know that with so many very small advice businesses in the market, regardless of whether they're the best performing advice business or some of the fly-by-night operations, they almost get to fly under the radar. And so I think there can be a more sophisticated approach to monitoring enforcement.

And that goes up and down the scale. It's more about who runs their business well as opposed to are you big or small? I also think areas like obviously professional indemnity insurance has already been looked at the capital obligations. and the risk and regulatory controls that your business has in place are all appropriate considerations and the things we're going to have more to say.

BA

All right, well that's about all we have time for today for this podcast, so once again Blake, thanks for joining us for this discussion.

Just a reminder, if you have any questions about the content of today's podcast, or other advice strategy questions in general, and you are a registered adviser with BT Panorama, you can contact our BT Technical Services team. You can do this via the BT Panorama mobile app. To call, simply open the app, head to the contact us section, and navigate to the option to initiate a call with BT technical services. Or you can simply email the team at technical@btfinancialgroup.com. If you aren't yet registered with BT Panorama, please reach out to your BT BDM who will be able to assist you.

And don't forget to join us for our fortnightly BT Academy Webinar series where we talk all things regulatory and technical. Our next webinar will be held at midday AEST on Wednesday 25 March 2026 when I'll be presenting on "Ready, set, but is it go?".

As you have heard today, 2026 has the potential to result in significant change for the financial services landscape, from a range of ASIC and Treasury consultations, the pending introduction of Division 296, progress to be made on the new class of adviser and best interests duty, and potential tax reform in the upcoming Federal Budget. In this session, I'll provide a regulatory and legislative update on where different measures are at and what else may be in store for 2026.

To register for that session, simply head to www.bt.com.au/professional and navigate to the Events and Webinars section within BT Academy. At the same time, you can also explore previous webinars that are available on demand and quality for CPD points if originally held within the last 12 months.

Once again, thanks for joining us today. Until next time, bye for now.