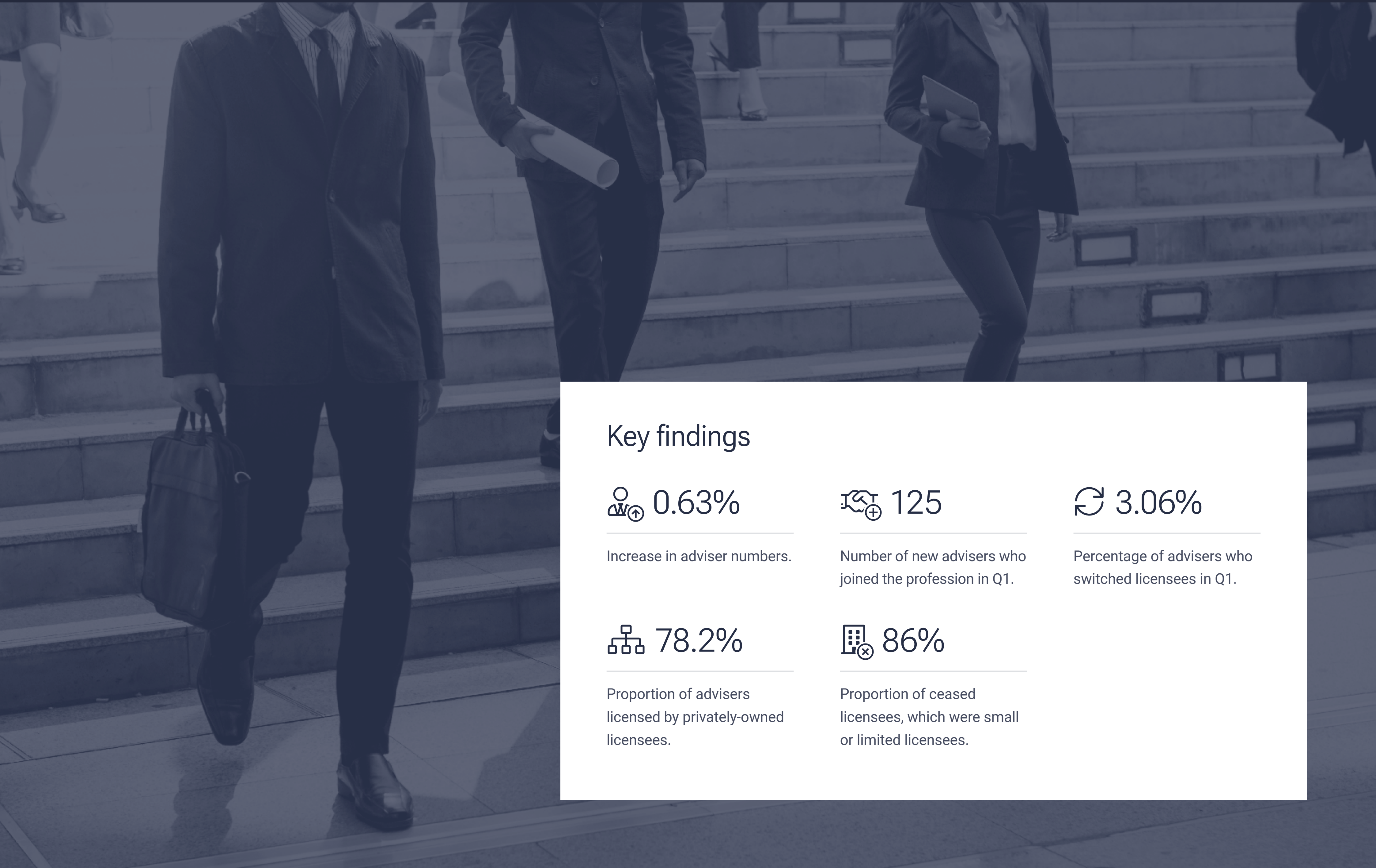
Q1
2025

Adviser Musical Chairs Report

Industry research on financial adviser and licensee movement

This research report offers insights that will help key market players, such as fund managers, super funds, life insurers, platform and software providers, to identify key focus areas to improve sales and marketing strategies. The financial planning and investment advice industry has undergone significant changes over the past ten years with the implementation of the Future of Financial Advice (FOFA) reforms. Financial advisers continuously enter and exit the industry, as well as switch from one licensee to another. This report shows some of Adviser Ratings' analysis and insight into these movements, for the benefit of those providing products and services to the industry.

BT | AR data | Adviser Ratings



Key findings

0.63%

Increase in adviser numbers.

125

Number of new advisers who joined the profession in Q1.

3.06%

Percentage of advisers who switched licensees in Q1.

78.2%

Proportion of advisers licensed by privately-owned licensees.

86%

Proportion of ceased licensees, which were small or limited licensees.

Enabling quality financial advice to thrive

Several years on from the release of the Quality of Advice Review, we continue to anticipate the full impact of the second tranche of draft legislation on the industry.

In his article on the latest draft legislation, BT's Head of Financial Literacy and Advocacy, Bryan Ashenden, discusses how some of the recommendations from the Quality of Advice Review can close the advice gap. At BT, we are always working towards outcomes that empower more Australians to achieve their financial goals and presenting solutions to financial advisers to unlock efficiencies, ultimately benefiting consumers.

One of the key changes proposed is the introduction of the Client Advice Record (CAR) to replace the Statement of Advice (SoA). The CAR offers greater flexibility in how advice is delivered, allowing it to be provided not just as a written document, but also through audio, video, or even animation. This adaptability is a significant step forward, enabling advisers to communicate more effectively with their clients and tailor the delivery method to suit individual preferences.

Looking ahead, the future of financial advice is set to be transformed by broader trends and innovations, including AI. The integration of digital tools and platforms is already making significant inroads in the financial services industry, enhancing the way advice is delivered and consumed. These advancements are expected to lower costs, increase accessibility, and improve the overall client experience.

While the draft legislation is still evolving and some details are yet to be finalised, it is important to focus on the opportunities it presents for meaningful reform. As an industry, this is the time to continue with participation and consultation to ensure an outcome that ultimately leads to better financial outcomes for more Australians. By embracing technological advancements and integrating innovative solutions into financial advice, we can create a more efficient, accessible, and client-centric future.

> *At BT, we remain committed to supporting financial advisers and their clients through these changes, working together to achieve a brighter financial future for all.*

Matt Rady
CEO, BT

Industry overview

Quarter 1 of 2025 has seen a net increase of 98 advisers (0.63%), reversing the slight loss observed in Q4 2024. Q1 often sees an increase in switches, although it is less than what is generally observed in Q3. This is because advisers frequently finish the year with their existing license before switching and being re-registered on the FAR in the new year, with a slight lag in the FAR update.

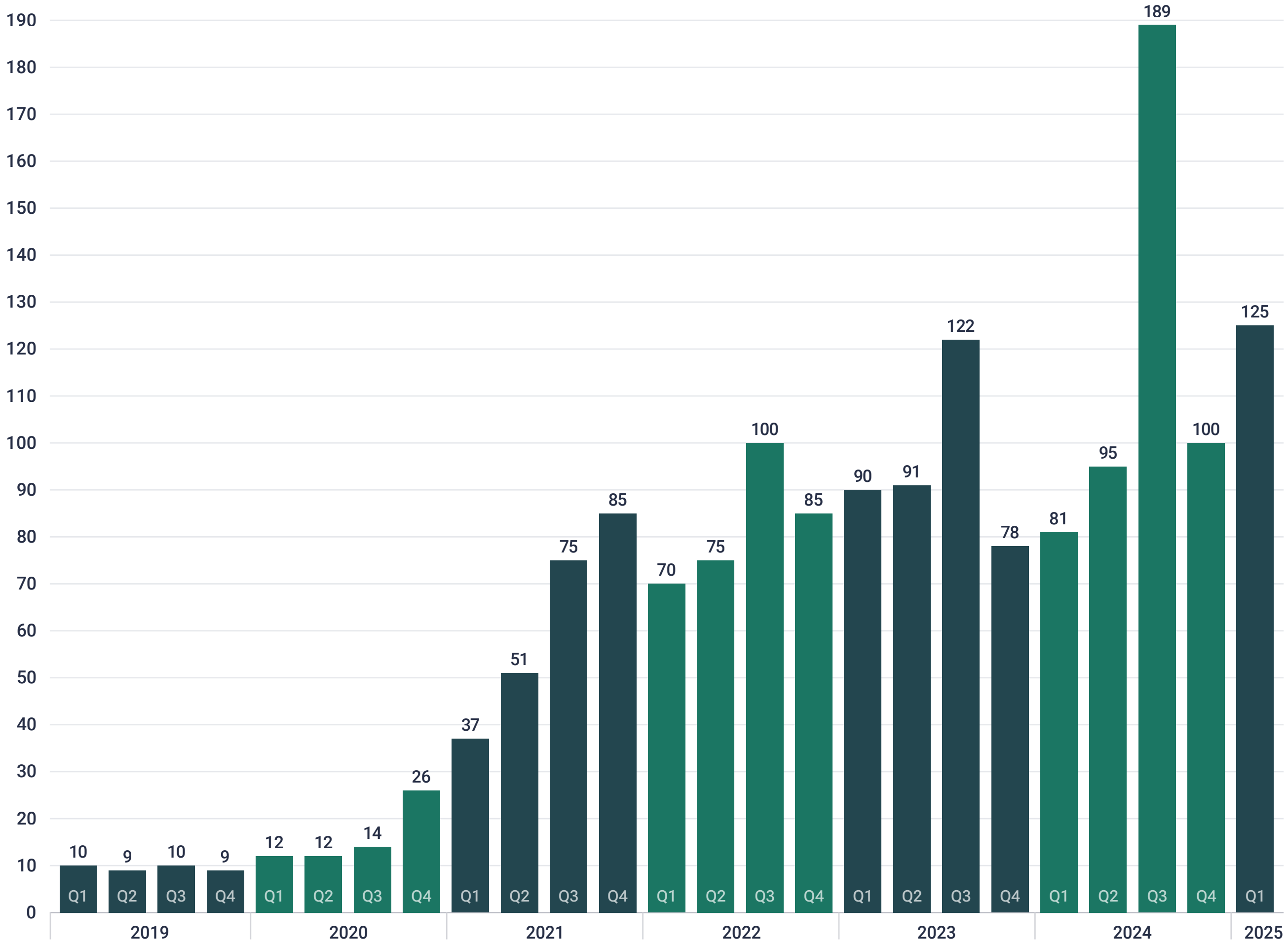
Q1 2025 was no different, with 476 advisers registered as switching, on trend with past years. It is worth noting, however, that this is the lowest level of switching over the past five years, showing that as advisers increasingly work in practices with higher levels of autonomy, there is less motivation to move to another licensee.

In comparison, however, 125 new advisers were registered on the FAR following the completion of the exam, which was the second-highest on record, behind Q3 2024, and 55% and 40% higher than the previous two Q1 periods. While 246 advisers ceased during the quarter, this continues the trend from last year, where like-for-like quarters have shown a decrease in advisers ceasing.

The increase in new entrants is a positive outcome for the profession. The second half of 2024 saw a cumulative 533 provisional advisers pass the exam, with 414 of these now being registered on the FAR. As noted, Q1 2025 was the second-largest registration period behind Q3 2024.

New adviser registrations

Source: Adviser Ratings



The year-over-year growth in new entrants is particularly encouraging, with a 54% increase from the previous year. This is a positive sign for the profession, indicating a promising future.

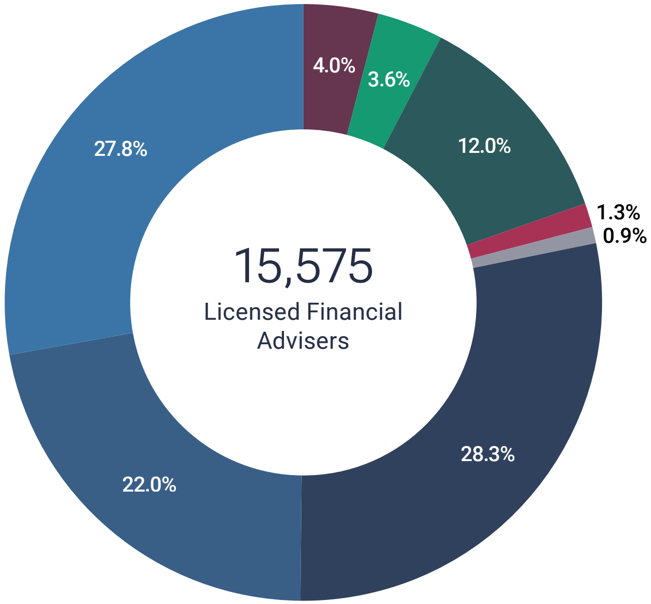
While the Rhombus and Akumin movements dominated Q3 and Q4 of 2024, Q1 2025 has returned to a level of normalcy. Adviser switchers were primarily driven by departures from Diversified (-3.7%) and Privately Owned (100+) (-1.0%). Gains were seen mainly in Privately Owned (1-10) (+1.5%) and Privately Owned (11-100) (+2.4%).

On the legislative front, there was little movement regarding financial advice. While the Government handed down close to the shortest Budget on record in March, there was little of note for the profession outside some minor tax cuts. Shortly before the Budget was handed down, and as almost the final act of Stephen Jones as Financial Services Minister as he headed towards his pre-announced retirement from Parliament, Treasury released half of Tranche 2 of the Delivering Better Financial Outcomes legislation for consultation.

Almost immediately following both these events, the government prorogued Parliament and called an election for May 3. Finally, the first tranche of QAR/DBFO commenced its transition period in Q1 2025, with a focus on fee disclosure and consent simplification.

Industry overview Q1, 2025

Source: Adviser Ratings



Diversified	4.0%	630
Industry super fund / Not-for-profit	3.6%	556
Stockbroker	12.0%	1,870
Bank	1.3%	204
Limited licensee	0.9%	137
Privately-owned (1 - 10)	28.3%	4,415
Privately-owned (11 - 100)	22.0%	3,431
Privately-owned (100+)	27.8%	4,332

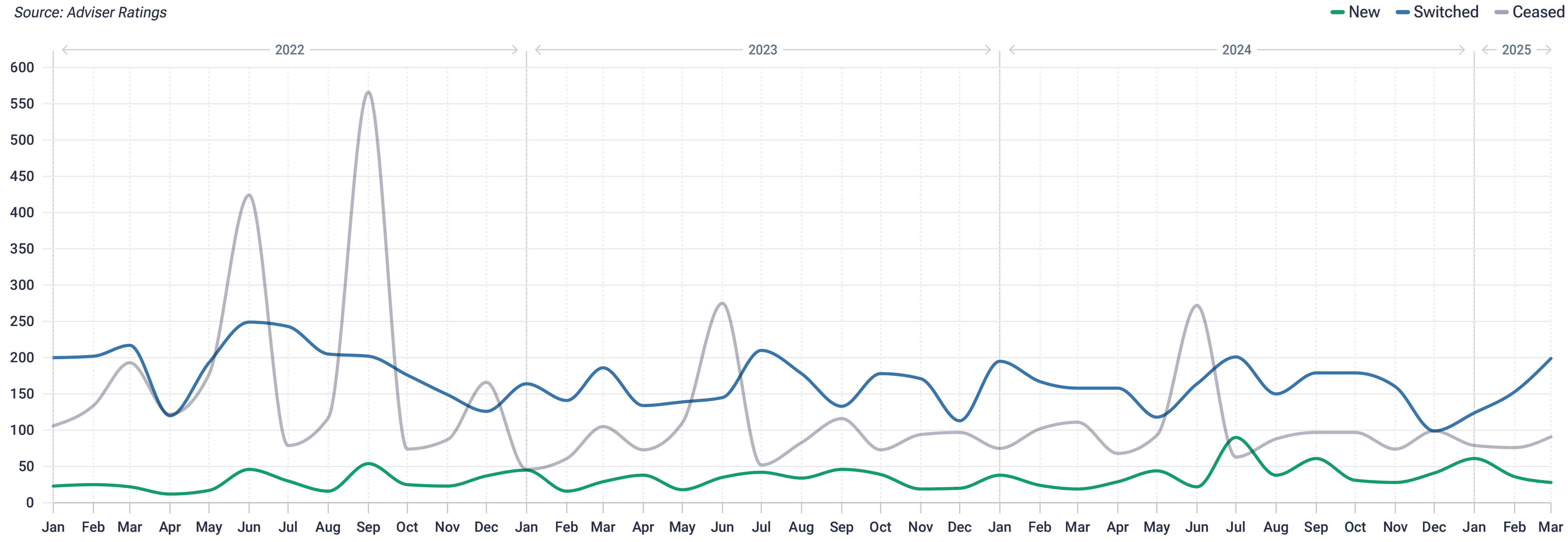
Q1 2025 saw the second-highest new adviser registrations on record, despite low switching.

Adviser movements

As highlighted above, Q1 saw a net increase of 98 advisers registered on the Financial Adviser Register.
Over the quarter, 125 new entrants were registered, and 244 advisers who had ceased practising in prior quarters returned.
Despite this, 246 advisers ceased practising, while 476 switched licensees, including returning advisers.

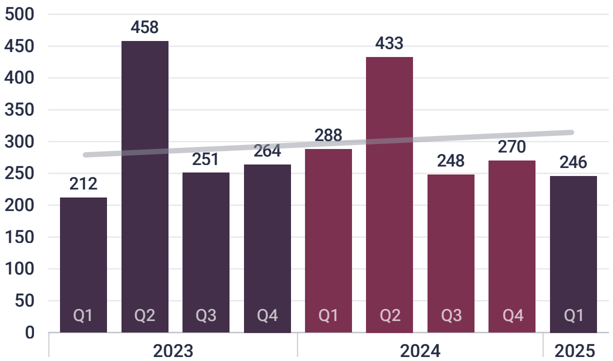
Adviser movements by type

Source: Adviser Ratings



Ceased advisers

Source: Adviser Ratings ● Advisers ▬ Trend (Q1 2023 to current)



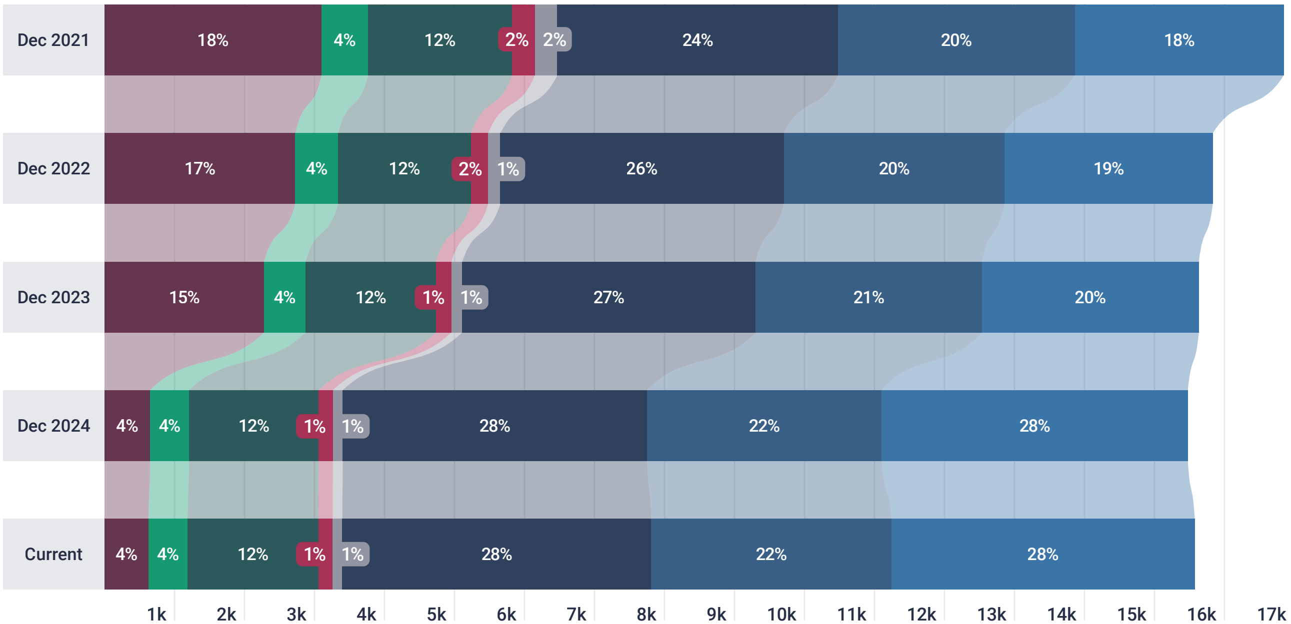
Ceasing advisers

Except for the annual jump in Q2 cessations, which coincides with resignations at the end of the financial year (and also with the licensee adviser number audit date for ASIC levies), the number of advisers ceasing has generally flattened since Q1 2023, at around 250 per quarter.

While new entrants have replaced 36% of the ceased advisers, another 77% return in later quarters, leading to a net loss of only 614 advisers, a 3.9% loss, since the end of Q4 2022. This has led to a general stabilisation in adviser numbers over the last two years, at around 15,500, which is currently at 15,575. This stability in adviser numbers, despite the various movements and changes, is a testament to the industry's resilience and should reassure stakeholders about its enduring strength.

Change in number of advisers by licensee segment

Source: Adviser Ratings



	Dec 21	Dec 22	Dec 23	Dec 24	Current
Diversified	3,102	2,727	2,280	654	630
Industry super fund / Not-for-profit	665	610	592	554	556
Stockbroker	2,054	1,899	1,863	1,854	1,870
Bank	327	247	220	201	204
Limited licensee	320	172	156	140	137
Privately-owned (1 - 10)	4,014	4,052	4,193	4,350	4,415
Privately-owned (11 - 100)	3,380	3,152	3,235	3,350	3,431
Privately-owned (100+)	2,984	2,974	3,095	4,374	4,332

Switching advisers

As the chart below shows, Q1 switching is typically higher than Q2 and Q4 switching, and 2025 continued this trend. As noted earlier, this relates to advisers often changing licensees at the end of the calendar year (or financial year), with the new licensee registering in the following quarter.

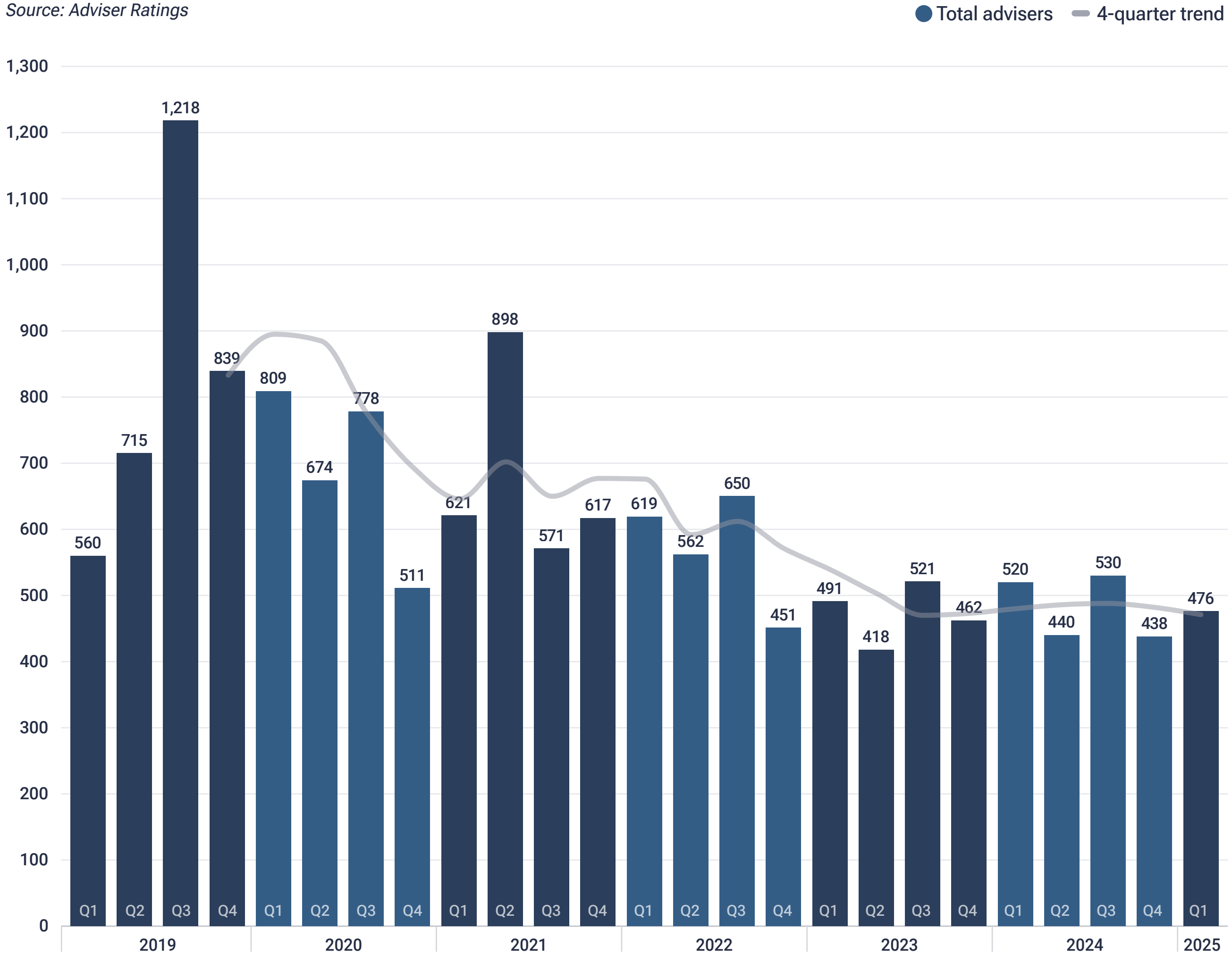
This decrease in licensee switching occurred again in the fourth quarter of 2024, with 476 advisers registered as switching in Q1 2025.

It is worth observing in the chart on the right that since Q4 2022, there has been a stabilisation of switches, as shown in the trend line, with an average of 477 quarterly switches, in line with this quarter's switches. As can be observed in the chart on the page above (Change in number of advisers by licensee segment) and will be be discussed below, this is primarily driven by advisers moving from diversified and larger privately owned licensees to smaller, privately owned licensees. This trend of advisers moving to new licensees, which often represent a better fit for their goals and growth plans, is a key dynamic in the industry that stakeholders should be aware of.

> *Adviser switching has stabilised since late 2022, averaging 477 moves per quarter.*

Switched adviser movements (with 4-quarter trend line)

Source: Adviser Ratings



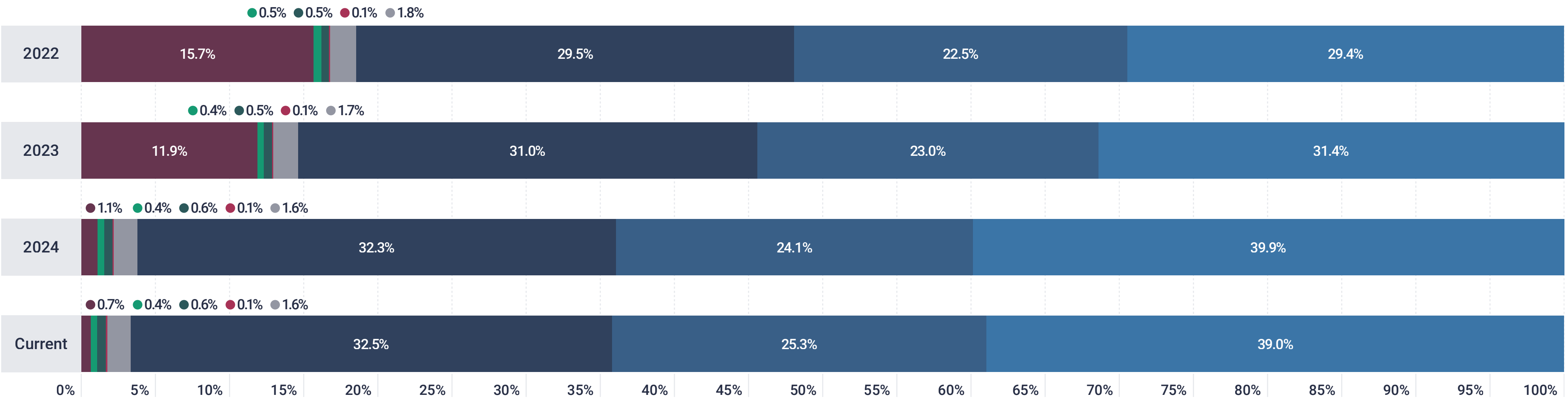
The changing face of practices

The growing trend of practices moving into the privately owned licensee continues. Licensees play a critical role in regulating financial advice, and the realities of licensee regulatory and supervisory obligations often become overwhelming, adding an additional layer of administration for small practices. Over time, we see a trend towards consolidating Privately Owned (1-10) licensee practices into Privately Owned (11-100) practices as they seek economies of scale with other practices or a way to reduce additional administrative tasks. This quarter has been no different. However, a clear trend in the profession is the shift towards independent, smaller practices that seek licensees who will support a client-centric approach to advice delivery and regulatory adaptation.

Segment	2022	2023	2024	Current
Diversified	995	725	67	40
Industry super fund / NFP	33	27	27	26
Stockbroker	32	33	35	36
Bank	5	5	5	5
Limited licensee	113	103	97	96
Privately-owned (1 - 10)	1,874	1,890	1,961	1,977
Privately-owned (11 - 100)	1,427	1,405	1,462	1,539
Privately-owned (100+)	1,869	1,917	2,423	2,373

Practice distribution by licensee segment (2022 – current)

Source: Adviser Ratings

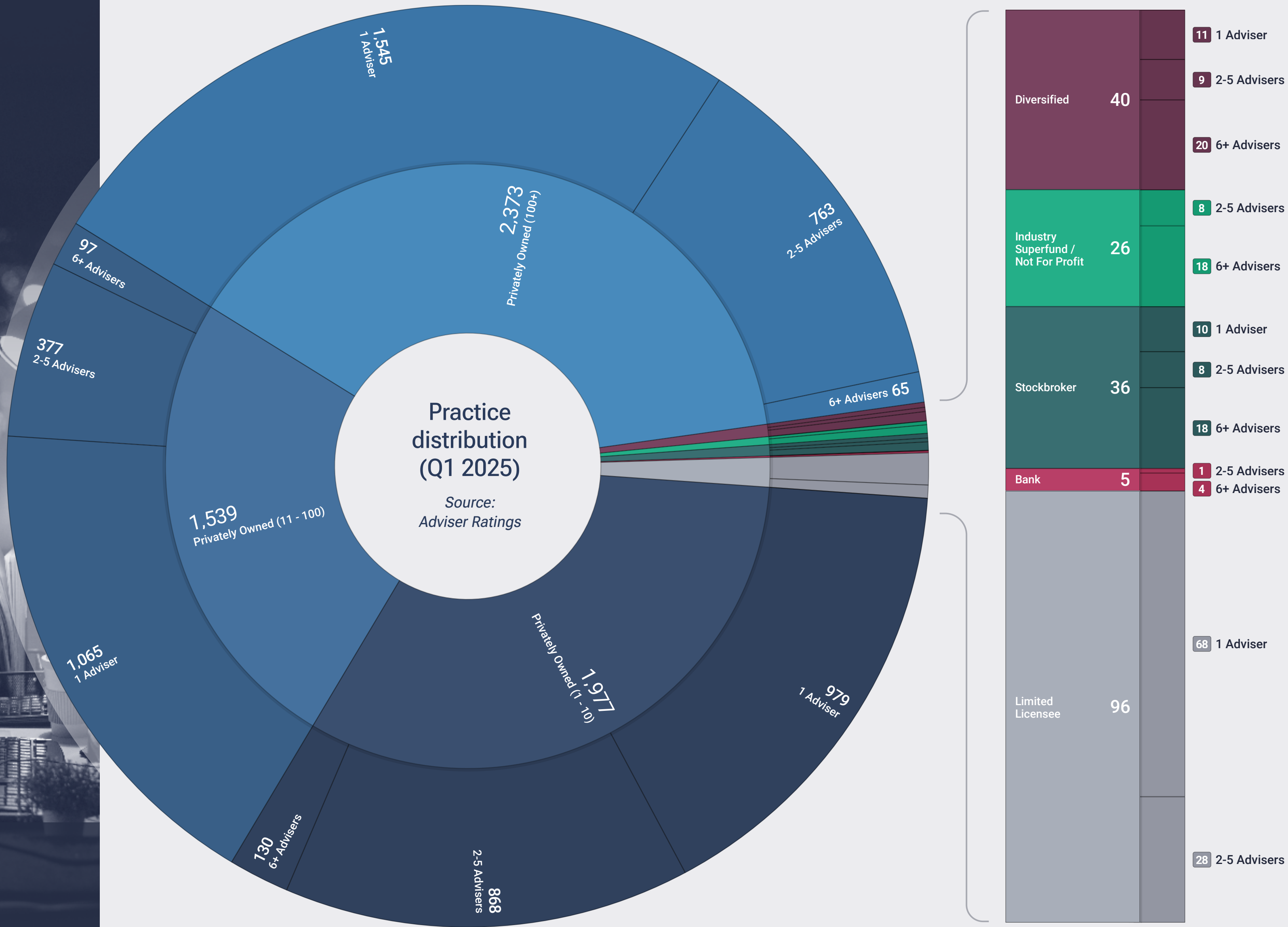


This month, 65 (1.5% increase) advisers shifted to Privately Owned (1-10), and 81 (2.4% increase) advisers shifted to Privately Owned (11-100). The most significant shift this quarter, however, was between Diversified, which lost 24 advisers (a 3.7% decrease), and Privately Owned (100+), which lost 42 advisers (a 1.0% decrease).

Compared to the dramatic shifts between diversified and Privately Owned (100+) in Q3 and Q4 2024, these shifts are relatively modest in comparison.

6,092 (+15)

Total practices as at Q1 2025

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FEATURE ARTICLE

A glass half full?

Are you a glass half full, or a glass half empty type person? Your answer to this might also influence how you view the latest release of draft legislation to implement the second tranche of reforms out of the Quality of Advice Review.

To allow for a real analysis and meaningful consultation, it's fair to say that half of the story is missing. Without details on how the modernised best interests duty is planned to operate and, perhaps crucially, missing any details around the "new class of adviser" (NCA), it is hard to get excited about reform. And this is perhaps why many are referring to this release as "DBFO Tranche 1.5", reflecting its incomplete nature.

However, to take a glass half empty approach perhaps takes the focus off some of the elements that have been released, that perhaps are steps in the right direction. So what positives can be drawn?

Well first, we have the long awaited, much anticipated, reforms to the Statement of Advice (SoA), with its replacement to be known as a Client Advice Record (or CAR). Much has already been said about this new document, and its apparent lack of significant reform or change to the existing SoA. But does this take the focus off what has changed, and what could change?

The first thing to note about the new CAR is that there is no restriction on how it is provided. The existing "written document" requirements around an SoA won't exist. So it could be provided as a document, but also as an audio file, as a video, as an animation etc. This flexibility should be welcomed.

It is also true to say that the existing requirements in the Corporations Act about what needs to be included within an SoA have largely been replicated to requirements for a CAR. So how do we see meaningful reform? The answer here is not actually in the Corporations Act requirements, but rather in the interpretation and application by different parties.

Whilst significant reform might only have been achieved by having provisions to specifically state what a CAR must not contain, there is still the opportunity for the CAR to represent a significant shift.

Much of the content today that ends up in an SoA is there from a risk perspective – the view that it is better to have disclosed or disclaimed, than to not have done so at all, even where the Corporations Act doesn't require it. Why has this occurred? It is a mixture of things – we have licensee standards requiring their advisers to include certain items; we have indemnity providers refusing cover where certain items are not included; we have adverse court and tribunal findings where information was not disclosed; we have Regulator best practice guidance, where licensees and advisers understandably interpret this as "include, or you run the risk of being found to be deficient". This is why an SoA today seems to have the alphabet of information, when the Corporations act only requires A to G.

Another area covered under DBFO Tranche 1.5 is the ability of superfund trustees to provide nudges (or prompts to members). This realistically is a requirement on trustees anyway under the terms of their retirement income covenants, and the change is to give clarity that these prompts are general advice, not personal advice. They need to be targeted prompts to members, but importantly cannot directly promote (or mention) product solutions offered by that superfund. In essence, it is to help educate members as they face important decisions into the future and they should consider seeking personal advice. How can this not be a good outcome?


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The third area that DBFO Tranche 1.5 covers is those advice topics that a superfund trustee can collectively charge to its members, or in other words those topics that can be provided almost free to a member. This is perhaps the area of real concern for many. Whilst the advice must still be provided by a relevant provider, could a super fund trustee employ an adviser to give the advice? Does this create an uneven playing field compares to financial advisers outside that fund?

This is where more detail is needed, including to what extent can the NCA provide this type of advice? In many instances the proposals replicate the existing intra-fund advice topics, but this is proposed to be expanded to include retirement income, with examples given in the consultation pack around a range of retirement income options and the ability to widely consider the circumstance of the member (and their spouse) in giving this advice.

So is there good news?

The Government indicated these current proposed reforms would only be introduced into Parliament with the missing best interests and NCA details, which also need to be consulted on.

> *Meaningful reform is certainly still possible and achievable. We just need to encourage all interested parties to get on the same page (or video or podcast in the case of CARs).*

BT

By Bryan Ashenden

Head of Financial Literacy and Advocacy, BT

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SPECIAL FEATURE

Priced Out of Protection:

Australia's Financial Advice Dilemma and the Race Against Time

> *As we entered 2025, Australia's financial advice profession stands at a critical crossroads—caught between unprecedented consumer demand and persistent barriers to accessibility.*

Despite 90% of Australians remaining unadvised and 68% recognising the value of professional financial guidance, only 6% are willing to pay current market rates. This stark disconnect reveals the fundamental paradox facing the industry: advice has never been more needed, yet it has never been more challenging to deliver affordably.

The Accessibility Challenge: A Crisis of Affordability

While consumer interest in financial advice continues to climb, with a 36% increase in adviser leads, the affordability gap remains stubbornly wide. Most Australians (67%) indicate they are only willing to pay up to $500 annually for financial advice, which is significantly lower than the $3,000 to $4,000 that most practices currently need to charge to remain viable[1].

This pricing pressure isn't merely a marketing challenge; it reflects the mounting regulatory costs that have transformed the economics of advice delivery. Recent analysis shows mandatory costs—including licensee services, professional indemnity insurance, ASIC levies, and the Compensation Scheme of Last Resort (CSLR)—range from $36,896 to $83,877 per adviser annually. On a per-client basis, these mandatory costs average around $449 annually, excluding the full impact of the CSLR. These costs must inevitably be passed onto clients or diminish practice profitability.

Beyond individual financial well-being, this accessibility gap has broader social implications. Recently published research portrays financial advisers as 'unsung guardians'[2] against financial misconduct in their communities. This means that areas experiencing higher adviser attrition have shown approximately 8.8% more fraud incidents, highlighting the protective influence advisers exert through knowledge diffusion and their presence as fraud deterrents. This protective effect diminishes when advisers leave a community, underscoring another dimension of the accessibility crisis. This research underscores the social responsibility of the financial advice profession and the potential negative impact of the accessibility crisis on communities.

Technology: Enhancement, Not Replacement

Despite regular proclamations that 2025 would be "the year of digital advice," consumer adoption of digital-only solutions remains limited[3]. Less than one-third of Australians currently use digital financial tools, with adoption rates declining steadily with age. Among those over 65, who often have the greatest need for advice, digital comfort levels drop below 10%.

The data reveals a clear consumer preference: technology that enhances rather than replaces human advice.

While 38% of consumers express a positive sentiment about AI in financial services, a significant portion (31%) believes that AI's primary value is in helping human advisers work more effectively, rather than replacing them. Only 12% expect or desire replacement by an adviser through technology.

90% of Australians remain unadvised.

6% of Australians are willing to pay current market rates for financial advice.

67% of Australians are only willing to pay up to $500 annually for advice.

68% of Australians recognise the value of professional financial guidance.

36% increase in adviser leads shows rising consumer interest in financial advice.

8.8% more fraud incidents occur in areas with higher adviser attrition.

$3-4k is the typical annual fee advisers need to charge to remain viable.

$449 is the average annual per-client cost from mandatory fees (excluding CSLR).

$37-84k is the approximate range of annual mandatory costs per adviser.

Sources: (1) Adviser Ratings: 90% of Australians Need Advice — Technology Is How You'll Reach Them [View source] *(2) Oh, N.Y.N., Parwada, J.T. and Wang, E. (2025). Unsung guardians? Communal fraud susceptibility and complaints following mass financial adviser attrition. The British Accounting Review.* [View source] *(3) Adviser Ratings: Digital Dreams vs Consumer Reality: Bridging the Financial Advice Divide.* [View source]

Regulatory Transitions: CARs, Budgets, and Elections

Adding to the complexity, the financial advice sector faces significant regulatory transitions.

Last month's announcement of Tranche 2 of the Quality of Advice Review (QAR)/Delivering Better Financial Outcomes (DBFO) reforms[4] introduced critical changes, most notably replacing Statements of Advice (SOAs) with more flexible Client Advice Records (CARs).

Tranche 1 of these reforms took effect on January 10, 2025, introducing changes primarily related to fee structures and collection methods. These changes streamlined fee processes and reduced administrative burdens, particularly around collecting fees for personal advice from superannuation funds.

The newer Tranche 2 focuses on three main components:

1. **Advice Through Superannuation:** Clarifying when advice relates to a beneficial interest in a superannuation fund so that funds can apply a collective charging methodology for cost-effective retirement advice.

2. **Targeted Superannuation Prompts:** Creating a framework for trustees to send targeted prompts to members, driving engagement at key decision points.

3. **Client Advice Records:** Replacing SOAs with principles-based CARs focused on supporting clients to make informed decisions.

While the legislation maintains similar content requirements to SOAs, it offers practitioners a 'blank document' approach to deliver advice in more client-friendly formats.

This approach allows advisers to structure their advice in a way that is most beneficial for their clients, rather than being constrained by a specific format.

> *However, the industry response has been tepid, with stakeholders expressing disappointment at the absence of two crucial elements: the promised new class of adviser and amendments to the best-interest duty.*

With a federal election looming, both major parties have outlined their approaches to advice reform. The ALP has focused on implementing DBFO and the Compensation Scheme of Last Resort (CSLR).

At the same time, the Coalition promises to implement all QAR recommendations, provide CSLR relief, and review the education pathway and Code of Ethics.

Sources: (4) Adviser Ratings: CARs to the Left of Me, Budgets to the Right — Here I Am, Stuck in the Middle of an Election With You. View source

For practices navigating this shifting landscape, four strategic imperatives emerge:

1 **Preparation for CAR implementation:** This is not just a suggestion, but a strategic imperative. By starting to plan for the transition from SOAs to CARs and rethinking how advice can be documented and shared in light of the new regulatory requirements, practitioners can take control of their future in the profession.

2 **Recalibration of superannuation strategy:** This presents an opportunity for innovation. By leveraging new possibilities for super trustees and fund advisers, particularly for members approaching retirement, the industry can pave the way for more effective and beneficial member outcomes.

3 **Tax planning considerations:** Factor in future tax cuts when developing strategies for lower-income clients, particularly regarding the interplay between personal income tax and superannuation contributions.

4 **Election strategy monitoring:** Stay alert to policy announcements that may impact the advice landscape, particularly those related to missing elements of DBFO reforms.

The FAR Deadline: A Looming Crisis

While the industry grapples with these broader challenges, a more immediate deadline threatens thousands of individual advisers.

By December 31, 2025—just seven months away—all advisers must ensure their Financial Adviser Register (FAR) records accurately reflect their qualifications or experience pathway status. Failure to meet this deadline could result in advisers losing their 'existing adviser' status, which would have severe implications for their ability to practice and generate income.

Analysing the FAR reveals that only 22% of currently registered advisers[5] are definitively positioned to meet this deadline through existing qualifications or new entrant status. This leaves approximately 12,000 advisers who must update their records or risk losing their "existing adviser" status.

The consequences of missing this deadline are severe and potentially career-ending. Advisers who fail to update their FAR records would lose their ability to practice and would need to complete a bachelor's degree, pass the adviser exam, and undergo a professional year before resuming practice—all while unable to generate income from providing financial advice.

Recent ministerial announcements about streamlining education pathways for new entrants have caused some confusion, but these changes do not affect existing advisers' obligation to meet the December 31, 2025, deadline. The proposed reforms will only apply to new entrants or those who miss the deadline and need to requalify.

Breaking down the numbers:

2,365

Advisers hold approved degrees listed in the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021, with these qualifications recorded properly on the FAR.

1,085

Additional advisers entered the profession after FASEA implemented the professional standards obligations on January 1, 2019, and already meet current requirements.

7,800

Advisers (approx.) potentially meet the education requirements through the experience pathway—having provided personal advice to retail clients for at least ten years between January 1, 2007, and December 31, 2021.

4,100

Advisers remain with six to 12 years of experience did not qualify for the experience pathway and must complete their education requirements and have them recorded before the deadline.

Sources: (5) Adviser Ratings: Every Step Counts: Your FAR Destination Must Be Reached in 11 Months. [View source](#)

The Path Forward: Innovation and Adaptation

Despite these challenges, forward-thinking practices are finding ways to bridge the accessibility gap while maintaining profitability.

The most successful firms are implementing several key strategies:

1. **Hybrid service models:** Combining digital efficiency with human expertise through tiered service offerings based on complexity, allowing practices to match service levels with client needs and preferences.

2. **Progressive payment approaches:** Moving beyond traditional upfront annual fees to instalment-based payment plans, self-service models offering limited advice for free, subscription models, and partnerships with institutions to provide scaled advice.

3. **Technology as an amplifier:** Using digital tools to enhance client education, streamline operations, and deliver more personalised service, enabling advisers to serve more clients effectively.

4. **Process reimagination:** Fundamentally redesigning advice delivery from the ground up rather than simply digitising existing processes, leading to practices that operate with 55% fewer staff while maintaining high service standards.

Skye Wealth provides a compelling example of innovation in practice[6]. By focusing exclusively on risk insurance advice for just $330 upfront, they have created a profitable model through process innovation and clear scope boundaries, underpinned by strategic technology integration. Their volume-based strategy successfully serves a higher number of clients at lower margins without compromising quality.

Conclusion: A Profession at a Pivot Point

As the financial advice sector navigates these multifaceted challenges in 2025, the successful practices of tomorrow will be those that embrace change while maintaining focus on client outcomes. The path forward requires balancing technological innovation with human connection, regulatory compliance with operational efficiency, and scalability with personalisation.

For the millions of Australians currently unable to access the advice they need, the stakes couldn't be higher. The profession's ability to bridge the accessibility gap while navigating regulatory transitions will determine whether financial advice remains a privilege for the few or becomes available to the many who need it.

As the countdown to the FAR deadline accelerates and regulatory reforms continue to evolve, one thing is clear: the future belongs to those who can deliver high-quality, accessible advice in ways that align with changing consumer expectations and the evolving regulatory landscape. The great Australian advice paradox can be solved—but doing so will require nothing less than reimagining how advice is created, delivered, and paid for in the digital age.

Sources: (6) Adviser Ratings: 2024 Australian Financial Advice Landscape Report. View source

Corporate actions

This quarter's primary growth in licensees was in the Privately Owned groups. The most significant corporate action involved the creation of a new license, Partners Wealth Group Financial Advice Pty Ltd, primarily driven by 24 advisers who moved from Charter Financial Planning Limited following Entireti's purchase of the license from AMP. Additionally, six advisers switched from 4 other licenses, and one new entrant joined.

Akumin Financial Planning Pty Limited also lost a central Queensland practice with five advisers, SEQ Advice Wealth Pty Limited, as they set up their own license. Mont Partners Pty Ltd saw 14 advisers from the Wealth Management Partners practice in WA leave to join Gallagher Benefit Services Pty Ltd in a rare increase in the Diversified licensee space.

Another significant practice move involved Evalesco's practice of nine advisers merging with The Principal Edge Pty Ltd after they left Australian Advice Network Pty Ltd. During the quarter, Australian Advice Network Pty Ltd saw an additional four advisers depart, resulting in a total of 13 departures. On the other hand, Alliance Wealth Pty Ltd added 10 advisers from 6 different licensees, while Lifespan Financial Planning Pty Ltd added eight advisers from 5 different licensees.

Licensees with most adviser additions and reductions in Q1 2025

Source: Adviser Ratings

Most Additions · Most Reductions

Licensee	Segment	Number of Advisers
PARTNERS WEALTH GROUP FINANCIAL ADVICE...	Privately Owned (11 - 100)	30
ALLIANCE WEALTH PTY LTD	Privately Owned (100+)	19
GALLAGHER BENEFIT SERVICES PTY LTD	Diversified	15
SPARK ADVISORS AUSTRALIA PTY LTD	Privately Owned (11 - 100)	12
ORD MINNETT LIMITED	Stockbroker	10
THE PRINCIPAL EDGE PTY. LTD.	Privately Owned (11 - 100)	10
LIFESPAN FINANCIAL PLANNING PTY LTD	Privately Owned (100+)	6
MATRIX PLANNING SOLUTIONS LIMITED	Privately Owned (100+)	6
OREANA FINANCIAL SERVICES PTY LTD	Privately Owned (100+)	6
SGN FINANCIAL PTY LTD	Privately Owned (11 - 100)	6
BRIDGES FINANCIAL SERVICES PTY LIMITED	Stockbroker	-5
EXELSUPER ADVICE PTY LTD	Privately Owned (1 - 10)	-5
INTERPRAC FINANCIAL PLANNING PTY LTD	Privately Owned (100+)	-7
RI ADVICE GROUP PTY LTD	Privately Owned (100+)	-7
FITZPATRICKS PRIVATE WEALTH PTY LTD	Privately Owned (11 - 100)	-7
AUSTRALIAN ADVICE NETWORK PTY LTD	Privately Owned (1 - 10)	-13
MERIT WEALTH PTY LTD	Privately Owned (11 - 100)	-14
MONT PARTNERS PTY LTD	Privately Owned (1 - 10)	-14
COUNT FINANCIAL LIMITED	Privately Owned (100+)	-15
CHARTER FINANCIAL PLANNING LIMITED	Privately Owned (100+)	-19

−20 −15 −10 −5 0 5 10 15 20 25 30

Licensee movements

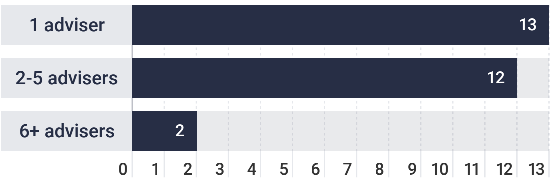
The popularity of boutique licensees continued in Q1, with all new AFSLs set up, other than the aforementioned Partners Wealth Group Financial Advice Pty Ltd (31 advisers), in the Privately Owned (1-10) category, with 1 to 7 advisers in size.

Continuing the trend from the previous two quarters, several new licenses were set up by practices following the significant corporate actions in the large, diversified licensee space, as shown in the chart to the right.

Once again, a high proportion of ceased licensees had been in operation for six years or more (64%). However, only four had been operating for more than ten years before they voluntarily closed, compared to 1 that did not make it through an entire year. Of the 14 closures this quarter, 11 were licensees that had continuously operated with fewer than 10 advisers.

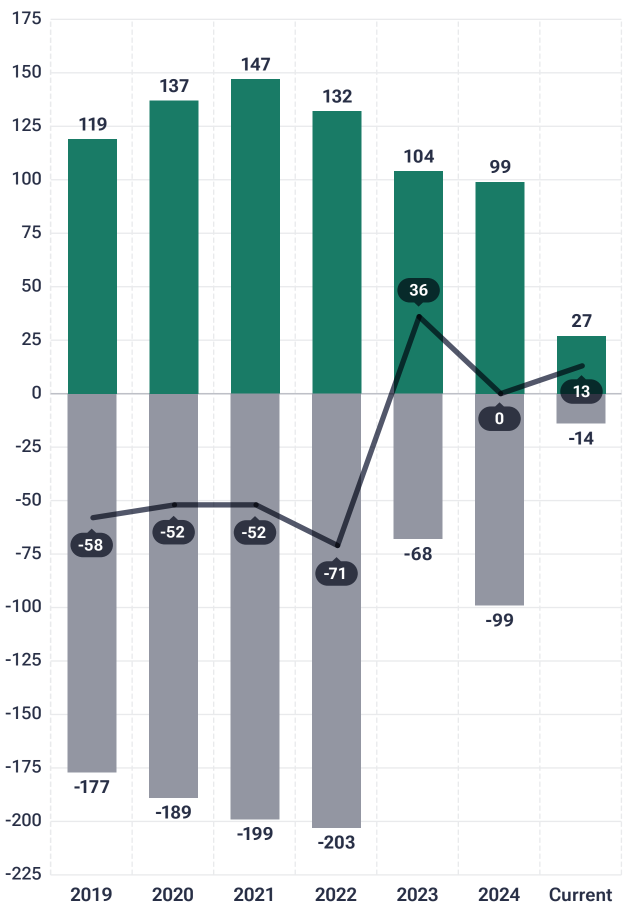
Size of new licensees

Source: Adviser Ratings



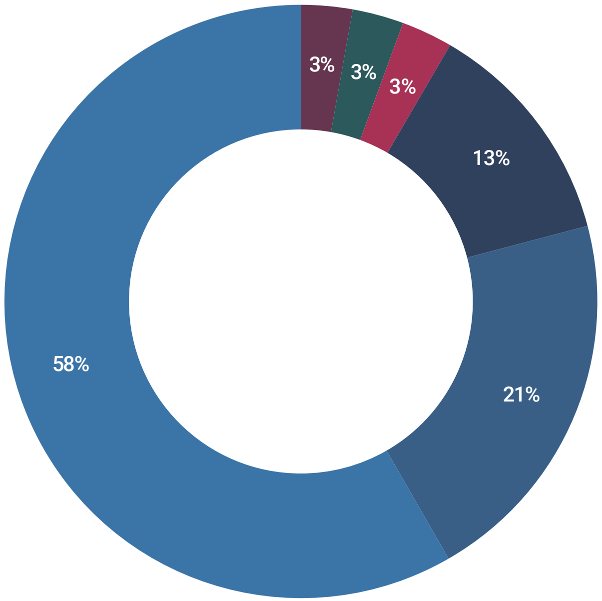
Licensees: newly registered vs discontinued

Source: Adviser Ratings



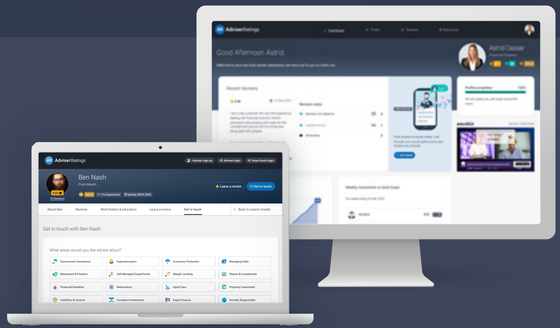
Where were advisers before going to a new licensee

Source: Adviser Ratings



Diversified	2	3%
Stockbroker	2	3%
Bank	2	3%
Privately-owned (1 - 10)	9	13%
Privately-owned (11 - 100)	15	21%
Privately-owned (100+)	42	58%

Our products



Consumer Marketplace

A public website that connects consumers with 17,000 financial advisers, through articles or research, and lead generation.

Nightingale Analytics

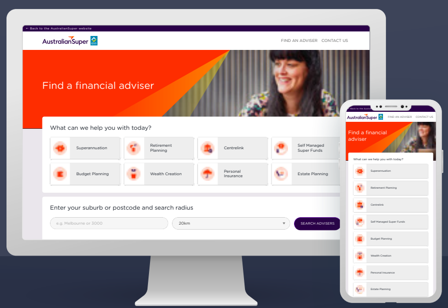
A customisable data service comprising contact and insight intelligence on the universe of advisers, practices and licensees for growth and compliance applications. Data is supplied via various means, including API and SFTP flat files.

Market Research

Essential fact-based research powered by our unique data insights. Featuring staple industry reports (free and paid), including the Financial Advice Landscape report and the quarterly Musical Chairs report.

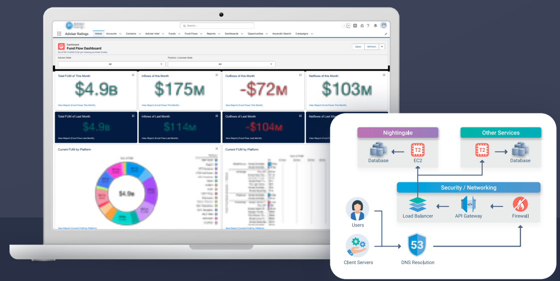
White-Label "Find An Adviser"

A customisable web service including design, hosting and data to help clients with customer retention and acquisition.



CRM integration

Certified CRM experts that use inhouse solution design packages that fully leverage the Nightingale Analytics and Fund Flow data. Data updates can be automated via our API. Tactical, specialist and flexible CRM support is available with long term agreements.



Adviser Quality Scores

A proprietary scoring systems to determine "quality of advice" benchmark and standard on financial advisers. The 'credit score' of the financial advice industry.

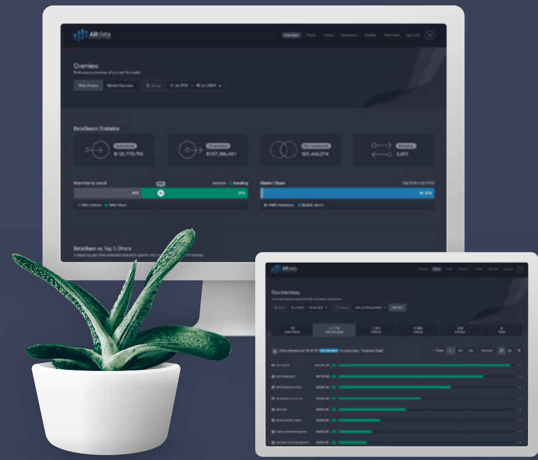
Our products

Life Insurance Barometer

An industry led and supported data sharing proposition that allows participating life insurers deep actionable insights into the retail advice market, advisers writing risk and where the opportunities reside. Under the remit of ARdata considerable investment is being undertaken in this Beddoes product to provide unique actionable data and link system growth to its consumer proposition to benefit the overall retail life industry.

Fund Flow Intention

Australia's first predictive model for investment fund flows. Harnessing the Product Rex modelling tool, it facilitates the creation of dynamic, adviser-driven scenarios to optimize client portfolios across asset classes and platforms. This robust tool correlates strongly with real investment outcomes, empowering sales, marketing, product, and research teams with actionable insights and real-time feedback on targeted campaigns.



ProductRex

ProductRex is now Australia's largest portfolio construction tool, utilised by 5,500+ advisers. It is embedded in multiple software CRMs and applications with open API access. For vendors, it is the only place in the market that has dynamic ad serving capability at the time a portfolio is being constructed.

Fund Flow Reporting

An outsourced solution for fund managers for preparation of monthly reporting on financial adviser applications and redemptions through fund products held on investment platforms and delivered through client's CRMs or external interfaces, such as PowerBI.

Quotable Quotes

January

I am proud of the role I played in progressing marriage equality and gambling ad reform in my early years. I am also proud of the work we have done to secure the future of our steel industry, to rebuild TAFE and as Assistant Treasurer, fighting scams, protecting workers superannuation, making financial advice more accessible and affordable and strengthening consumer protections for all Australians.

- Assistant Treasurer and Minister for Financial Services Stephen Jones announced he will not contest the next Federal Election, reflecting on his time in Government.

February

We welcome the Minster's recognition that changes to the education standard are due. Along with our JAWG partners, the FAAA took a range of proposals to Treasury and the Minister last year, and we are pleased that these have been heard. It is critical to the future of the profession that more people choose a career in financial advice and, as part of this, it needs to be easier for commerce, economics and finance students from all universities to become financial advisers.

- Sarah Abood, CEO of the Financial Advice Association of Australia, responded to the Minister's announcement of changes to the education framework for entering the financial advice sector.

The rapid growth of the managed accounts sector highlights the need for clear standards and strong collaboration between industry and research. The standard plays a critical role in ensuring transparency, efficiency and trust in this expanding market. By working closely with industry leaders, we can create a framework that not only supports innovation but also upholds the highest levels of investor confidence.

- Professor Jerry Parwada, Professor of Finance at UNSW Business School and spokesperson for the SMA Standard Advisory Committee on the need for the introduction of an SMA Standard.

Quotable Quotes

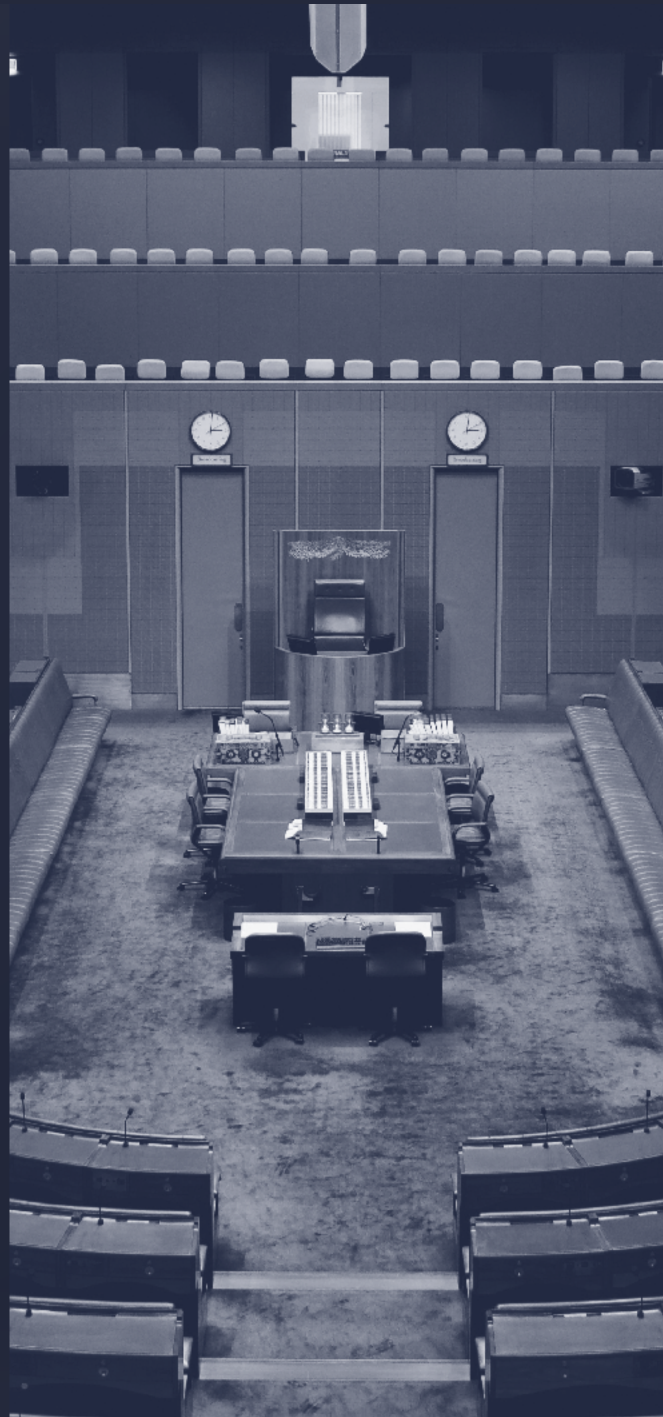
March

" As a revenue item, tonight's Budget was the last opportunity for the Government to either take this tax off the table or make changes to address the significant issues raised by industry and the Parliament. Material changes to this tax, which impact the Government's previously budgeted revenue estimate for this proposed measure, would have needed to be reflected in the Budget. Considering there was no mention of changes, the Government is now committed to taking this tax to the next election, warts and all.

- SMSF Association chief executive officer, Peter Burgess, says the Government has ignored valid industry concerns about taxing unrealised superannuation gains and is now committed to taking this troubled new tax in full to the election.

" We are pleased the Government is maintaining momentum to deliver on its commitment to deliver advice reform. On the eve of the federal election, the financial services industry can view the financial advice reform package released today as indicative of the Government's continued commitment to the reform agenda following the election. Layers of red tape and onerous regulation has meant that financial advice now costs more than $5000 in some cases, putting it out of reach for millions of Australians. The Government's broader financial advice reform package has the capacity to reduce the cost of providing advice by 40 per cent.

- FSC CEO Blake Briggs welcomed the Government's release of draft legislation to enact Tranche 2 of the Delivering Better Financial Outcomes legislation.



Glossary of Terms

Adviser Movements

New adviser
A new entrant who is newly registered as a financial adviser on ASIC's financial adviser register (FAR) in the sample period.

Ceased adviser
A financial adviser whose AFSL Authorisation with a licensee has ceased during the sample period.

Switched adviser
An existing or previously licensed financial adviser who has switched-in to a new practice/licensee in the sample period.

Returning adviser
A financial adviser whose AFSL Authorisation was de-registered prior to the sample period and has switched-in to a new practice/ licensee in the sample periods.

Licensee Types

Bank
Where a bank owns the advice licensee although advisers can be self-employed.

Stockbroker
Where stockbroking is the primary business line even if owned by a bank.

Industry Superfund / Not for Profit
Includes mutual building societies, credit unions and banks.

Diversified
Where other core business lines exist within the broader group.

Limited Licensee
As defined through their ASIC registration under specific "classes of securities".

Privately owned (100+ advisers)
Any firm not captured in the other categories with 100+ advisers.

Privately owned (11-100 advisers)
Any firm not captured in the other categories with 11-100 advisers.

Privately owned (1-10 advisers)
Any firm not captured in the other categories with 1-10 advisers.

***Note:** Licensee type, and accordingly adviser type, is defined by its ability to authorise products and its ownership structure (we note many accountants reside in a full licence)*

ARdata

ARdata provides insights to the financial services ecosystem. We operate as a stand alone service to assist fund managers, super funds, platforms, insurers, and other industry service providers reach advisers they want to work with.

Consolidating ASIC information with our proprietary methods, our data is the most valuable, up to date, and accurate in the market.

Our Nightingale data service can be customised to any specific scope, including monthly reports on advisers switching, entering or exiting the industry.

Learn more about ARdata

2024 Australian Financial Advice Landscape Report

Key insights within this edition of the Musical Chairs Report has been taken from the 2024 Australian Financial Advice Landscape Report. This report gives a deep-dive into the current state of the financial advice industry. This report is available as a free download via the link below.

Download the report

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