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## **Reforms to Quality of Advice Review to lead to better outcomes for members**

Australian Retirement Trust and AustralianSuper, the two largest superannuation funds in Australia with more than \$500 billion in members retirement savings, have welcomed the Government's proposed reforms to the Quality of Advice Review today.

Australian Retirement Trust and AustralianSuper believe today's announcement that the Government plans to adopt 14 of the Review's recommendations in full or in principle is a positive step forward to improve the quality, affordability and accessibility of financial advice for millions of Australians.

Following the release of the Quality of Advice Review earlier this year, the two funds came together for the first time in February to advocate for the removal of Statements of Advice (SoAs), broadening the scope of intra-fund advice and clarity of the sole purpose test in relation to collective charging and the payment of advice fees from member accounts. The two funds are supportive of the adoption of these recommendations and the positive impact they will have on their combined 5.3 million members.

The wave of retirees across Australia is expected to grow in the coming years and will see the combined funds retired members increase from approximately 165,000 today to 700,000 by 2030.

Australian Retirement Trust's Chief Executive Officer Bernard Reilly said the reforms will help simplify the regulatory framework to better enable high quality, accessible and affordable financial advice.

"At Australian Retirement Trust we know that financial advice has the power to materially change people's lives and lead to better retirement outcomes for members, but that not enough Australians know who to go to or where to start. These reforms will empower members to have greater choice in relation to how they access financial advice, whether that be through their super fund, digital channels or external financial advisers," said Mr Reilly.

"Australian Retirement Trust has more than 100,000 members with \$21b in funds under management who use external financial advisers and these reforms will help reduce the red tape for these advisers and make it easier for them to work with super funds, which we believe will help our members retire well with confidence."

AustralianSuper Chief Executive Paul Schroder said the reforms will improve retirement outcomes for millions of Australians with access to financial advice now easier and cheaper for members within the context of appropriate consumer protections.

"Superannuation funds are the right vehicles for these reforms as there is already very strong legislation - governing fiduciary duty - in place to ensure funds such as AustralianSuper act in the best financial interests of members with the sole purpose of generating the best possible financial outcome for members in retirement," Mr Schroder said.

"This is a positive step forward for millions of members as they will now be able to access the level of financial advice they require. The removal of barriers on the provision of digital advice is a game changer, whether that is simple guidance to assist members in delivering an income in conjunction with the Aged Pension or more complex advice needs."



AustralianSuper and Australian Retirement Trust look forward to working with the Government further on these recommendations, particularly on the format of what a 'fit-for-purpose' advice record will look like, how collective charging will work in the best interests of members and streamlining the ability to pay for retirement planning advice from their superannuation fund.

**ENDS**

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About AustralianSuper

AustralianSuper manages almost \$290 billion in members' retirement savings on behalf of more than 3.1 million members from more than 448,000 businesses (as at 31 March 2023).

About Australian Retirement Trust

We are one of Australia's largest super funds, proud to take care of over \$240 billion in retirement savings for more than 2.2 million members. As a fund that works for members, not shareholders, we work in members' best interests and commit to returning profits to them as lower fees and better services.

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