



UniSuper

Greater retirement outcomes through assistance and advice

UNISUPER SUBMISSION ON DELIVERING BETTER FINANCIAL
OUTCOMES PACKAGE OF REFORMS

6 December 2023

About UniSuper

UniSuper began with a single, compelling idea: we can deliver better value. We're now one of Australia's largest super funds, with more than 620,000 members and over \$125 billion in funds under management.

We're passionate about securing the future of our members, sharing in a wealth of wisdom and collective know-how.

We empower our members to be confident about their future and make better financial decisions.

About financial advice and education at UniSuper

UniSuper employs around 150 staff to deliver personal and general advice nationally. Through this service we provide personal advice, general advice and information to over tens of thousands of members each year and we anticipate increased demand to cater for our expanding membership.

Our overarching aim is to:

- Support members to make informed choices through education and guidance right through to those who need personal advice from an expert
- Satisfy members' differing advice needs (at different life stages and trigger points) through a scaled and comprehensive advice offering while ensuring members deal with the right service first time
- Improve access to and affordability of our services resulting in increased take-up of advice and improved outcomes for more members

We know that access to quality financial advice is critical in helping our members achieve a comfortable, confident and secure retirement.

Our model is focused on providing advice that suits the needs of our members to achieve their retirement outcomes and covers a wide range of needs.

About this submission

UniSuper would welcome the opportunity to discuss the submission further and to provide additional information in respect of the comments made in this submission.

Should you have further queries, please contact Benedict Davies on [REDACTED] or [REDACTED]

Delivering better financial outcomes

Retirement advice and assistance is an important part of how UniSuper helps our members achieve greater retirement outcomes. Our members look to us in the lead up to and into retirement for both assistance and advice.

The proposed amendments will address some of the key recommendations of the Quality of Advice Review and will make it easier for UniSuper to offer more advice to members.

The draft legislation appears sufficiently broad to allow the payment of financial advice fees under the proposed amendment to SIS Act 99FA.

Subsection 99FA(1) replaces the current language “must not directly or indirectly pass on the cost of providing financial product advice” with “must not charge against a member’s interest in the fund the cost of providing financial product advice”. The new language remains, however, negatively phrased.

The Quality of Advice Review used positive language that expressly allowed for the deduction.

Recommendation 7 – Deduction of adviser fees from superannuation

Superannuation trustees should be able to pay a fee from a member’s superannuation account to an adviser for personal advice provided to the member about the member’s interest in the fund on the direction of the member.

Amendments to subsection 99FA(1), however, set out requirements to be satisfied before a trustee can charge the cost of advice against the member’s interest in the fund. It is worth noting there is discretion already exercised here by trustees and trustees can already decline the member’s request if in their view it does not relate to the member’s beneficial interest in the fund.

At UniSuper, we have a policy in place governing how fees are deducted from a member’s account. This policy is centred on the nature of the advice being provided and not the member’s preferred method of payment. If, for example, the member is provided with advice that does not relate to their UniSuper account (i.e. advice relating to their personal investments), then part or all of their fee cannot be deducted from their UniSuper account regardless of their preference.

We would be concerned if these changes required trustees to review every request on a case-by-case basis. We suggest that it be made clear in the EM that existing oversight mechanisms put in place by trustees are likely to provide effective control.

The removal of fee disclosure “red tape” is equally welcome.

We have previously argued that many SOAs are too long and compliance-focussed rather than comprehension-driven. Members want information that is relevant that they can easily understand and see how much it has cost them. So what is true of SOAs is equally true of fee disclosure statements. We welcome the streamlining ongoing fee renewal and consent requirements and removing the requirement to provide a fee disclosure statement.

Overall, these reforms promise to increase access to quality advice that can assist members meet their goals and enjoy greater retirement outcomes. We await further consultation on replacing Statements of Advice to make easier to communicate and explain advice to members.

We also look forward to working together with Treasury and industry on the additional streams of work, particularly stream two – expanding access to retirement income advice.