



Caution warranted: Super Consumers response to Government's retirement advice plan

Media Statement

Quotes attributable to Xavier O'Halloran, Director of Super Consumers Australia:

"We welcome the Government's considered approach to meeting the needs of Australians planning for retirement. The careful path forward recognises the risk of harm from super funds dressing up product selling and retention strategies as 'retirement advice'"

"We look forward to engaging with the process to define what and how retirement advice and information can be provided by super funds. As we said in our joint letter to the Treasurer and Assistant Treasurer on the advice reforms in March, there is the potential to help more people plan for retirement, so long as there are appropriate consumer safeguards."

"We support the Government's focus on clarifying the law to make sure super funds can safely and helpfully answer simple questions from people approaching retirement. For example, we know people currently struggle with simple questions like, 'do I have enough to retire?' It is hoped this clarity will help super funds consider things like the Age Pension in giving retirement guidance."

"The Government's cautious approach also recognises that most retirees will pay more in fees during their retirement than they did during their working lives.¹ With that much in fees from retirement products on the line, bad advice from super funds is inevitable if consumer protections are watered down. These fees also mean the biggest win for people approaching retirement would be protections to ensure only safe, high quality retirement products remain on the market, including appropriate defaults and performance testing."

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¹ According to 2022 research from Rainmaker:

<https://www.rainmaker.com.au/media-release/retirement-pay-most-superannuation-fees>



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