

New rules on intra-fund advice set to provide more accessible and affordable financial advice to all Australians

The new rules issued by the Government today on the delivery of 'intra-fund' advice will make financial advice more accessible and more affordable for ordinary Australians, according to the Industry Super Network. Intra fund advice is financial advice provided by a super fund to their existing members on a limited number of commonly asked questions, for example asset allocation, insurance and contribution level.

David Whiteley, Chief Executive, Industry Super Network, said: "The new rules will support the delivery of intra-fund advice by super funds and help make financial advice available to all Australians, irrespective of their age, income, or superannuation balance.

"In addition, the provision of affordable financial advice such as intra-fund advice is essential to the financial wellbeing of many Australians and in many ways, represents the beginning of the democratisation of financial advice in this country."

Since 2009, the demand for intra-fund advice by Australian consumers has been growing steadily. According to a recent survey by the Industry Super Network of seven industry super funds, a total of 64,184 pieces of advice was delivered to consumers in the 2010/11 financial year – representing an increase of 17 per cent on the previous year. In August 2011, when markets crashed because of the Greek debt crisis, four of the major industry super funds experienced an average increase in calls of 26 per cent compared to the previous year.

"Intra-fund advice is filling an important gap in the marketplace by providing consumers with basic advice on their super – which is a compulsory investment. And with the Superannuation Guarantee proposed to move to 12 per cent and market volatility expected to continue, intra-fund advice is likely to become even more critical for Australian super fund members in the future."

Mr Whiteley said that giving Australians access to affordable financial advice was an integral part of the Future of Financial Advice reforms, along with the banning of conflicted remuneration, the best interests obligation for financial planners, and the 'opt-in' measure to ensure that consumers do not pay for advice they don't receive.

"Australians deserve access to basic financial advice that they can trust and that they can afford. The least Australians should be able to expect from our compulsory super system is help and advice on their savings from their super fund."

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