

Submission number: 2014/24

To: Senate Economics & Legislation Committee

13 June 2014

### **Inquiry into the provisions of the Corporations Amendment (Streamlining the Future of Financial Advice) Bill 2014**

The Association of Superannuation Funds of Australia (ASFA) provided a brief submission to the Senate Economics and Legislation Committee inquiry into the *Corporations Amendment (Streamlining the Future of Financial Advice) Bill 2014* (“the Bill”) to provide information to assist the Committee in gaining a fulsome understanding of intrafund advice.

The submission provides a history of Intrafund advice, setting out its availability to fund members for many years, and well before the Ripoll review.

The submission notes that intrafund advice is advice relating to a person’s existing interest in a superannuation fund and is regulated, and limited, by the advice areas set out in section 99F of the *Superannuation Industry (Supervision) Act 1993* (“SIS”).

The intent and impact of s99F is to limit the scope (and cost) of intrafund advice and to exclude any potential “selling” of new products or switching between products from its scope.

The submission notes that:

- Commissions cannot be paid in respect of intrafund advice and *because of this* the fees paid by superannuation funds for the provision of intrafund advice are not commissions and cannot be construed as commissions or conflicted remuneration.
- The cost of intrafund advice is paid for collectively by all members; and that.
- Intrafund advice is provided by the complete range of funds

The submission states that ASFA supports the government’s stated vision “to make it easier and more affordable for consumers to access information for their financial affairs as well as make it easier for business to operate by cutting red tape” and in setting out the benefits of intrafund advice notes that the provision of intrafund advice by superannuation providers is part of the solution of making affordable advice more accessible to Australians.