

INSIGHT

Democratising advice: A national priority for Australia's retirement system

Australia has built one of the world's most successful retirement savings systems. The challenge now is ensuring every Australian can access affordable, timely advice to turn those savings into sustainable income. Achieving that requires coordinated action across policymakers, regulators and industry - and a commitment to treating advice as a public good.

–Frank Lombardo
CEO MUFG Retirement Solutions ANZ

Australia's superannuation system is widely regarded as one of the most successful retirement savings systems in the world. Decades of policy reform, industry innovation, and regulatory oversight have enabled millions of Australians to accumulate significant retirement savings.

Now the focus is shifting to helping Australians feel confident about their retirement while turning those savings into sustainable incomes. Achieving this requires coordinated action across policymakers, regulators and industry to ensure information, guidance and advice is accessible at the moments that matter most.

"We have created a world-leading super system for accumulation," says Frank Lombardo, Chief Executive Officer of MUFG Retirement Solutions ANZ.

"We all agree that the next challenge is converting that strength into a world-leading retirement system. Progress has been slower than we'd like. Product and technology will play their role, but we believe the democratisation of advice will ultimately have the greatest impact in helping Australians in retirement."

The advice gap Australia can no longer ignore

Comprehensive advice can cost between $3,000 and $5,000 upfront, with ongoing fees of $2,000 to $4,000 per year. This places professional guidance out of reach for most households facing rising living costs.

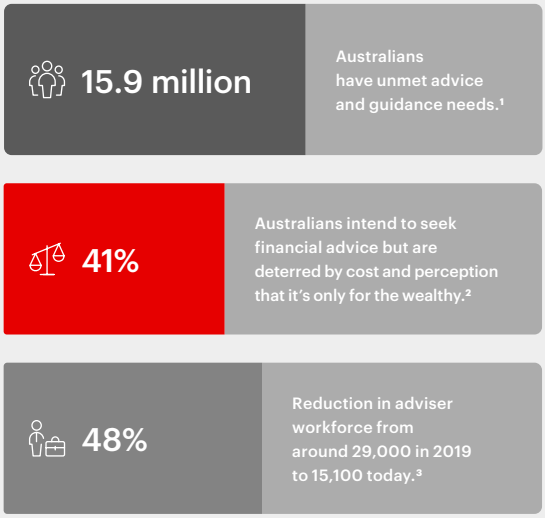
But still demand is growing. Australians approaching retirement face increasingly complex decisions around investment risk, longevity, and income strategies. MUFG Retirement Solutions services more than 9.5 million super accounts, with thousands of members calling each week for advice – especially during market volatility or major economic events.

"We take thousands of calls every week from Australians seeking help in moments that matter," Lombardo says.

"Often, we can provide factual responses, but the system makes it difficult to deliver practical guidance. This is a real example of how Australians are left without fit-for-purpose advice when they need it most."

The current cost of advice and the limited capacity of the profession mean many Australians cannot access simple advice and guidance. Structural change is needed to drive down costs and expand capacity.

Demand for Advice in Australia



Sources:
[1]Investment Trends' 2025 Financial Advice Report.
[2]The Australian Securities and Investments Commission (ASIC).
[3]Financial Advice Association of Australia.

Shifting the national conversation

Policy discussions have mainly focused on reducing regulatory complexity for advisers. While simplification is valuable, we believe the broader issue is access. Australians need safe, affordable financial guidance. Advice should be treated as a public good, much like preventative health care.

"Advice should be something people can access when key financial decisions arise, not a luxury reserved for wealthier Australians," Lombardo says.

Shifting the emphasis from adviser relief to greater access to financial support for all Australians will mobilise industry, policymakers, and regulators to act with pace. While doing so, it is important to maintain trust and strong consumer protections.

Consistently providing timely guidance during economic volatility or critical life events builds trust and confidence in the system, which is essential if we want to deliver better retirement outcomes.

A tiered approach to advice



Solving capacity constraints requires structural change. A tiered advice model ensures Australians receive guidance proportional to their needs:

One-off advice:
Targeted guidance on specific decisions, such as consolidating super accounts or reviewing insurance.

Scaled or limited advice:
Focused support for defined issues, like retirement income planning or investment choices.

Comprehensive personal advice:
Full holistic financial strategy, tailored to individual circumstances and long-term goals.

Specialist advice for high-net-worth Australians:
Expert guidance for complex cases.

The industry often gets caught up debating language – defining what terms like simple, scaled, limited, personal or comprehensive actually mean.

> "Australians aren't focused on the terminology. They just want clear, trusted guidance they can understand. At the same time, it is critical to maintain trust and strong consumer protections, ensuring all forms of advice, regardless of tier, meet appropriate standards and clarity for members."

Previous drafts of the upcoming Delivering Better Financial Outcomes legislation proposed to introduce a new class of adviser to support scaled advice, expanding capacity across the system. The government has emphasised that improving adviser education is critical to ensuring these new tiers of advice are delivered safely and effectively, giving Australians confidence in both the guidance and the professionals providing it.

Combined with technology-enabled solutions, a tiered model can lower costs, increase access, and move the system closer to true democratisation of advice.

Technology is the multiplier

Technology is a critical enabler in expanding access to advice. Artificial intelligence, digital platforms, and secure data integration can reduce costs, improve efficiency, and safely broaden access to millions of Australians currently without guidance.

AI can support fact-finding, financial forecasting, and paraplanning, while automation streamlines compliance and advice documentation. Open banking and integrated data systems further enhance the speed and accuracy of service delivery.

Digital delivery can be tailored to meet different needs.

- **Mass-market Australians**: Self-service digital tools and apps that provide guidance and decision support.
- **Middle-income Australians:** Hybrid human-digital models that deliver scalable guidance with access to support when needed.
- **Comprehensive personal advice:** Human-led advice tailored to individual circumstances and long-term financial goals.
- **High-net-worth and specialist cases:** Expert, human-led advice for complex financial needs.



"Technology will be a significant enabler in expanding capacity. Used responsibly, AI can free up human advisers to focus on complex cases, helping experienced professionals reach more Australians."

Digital tools, combined with secure data integration and strong cybersecurity, lower costs and make guidance accessible at scale. At the same time, fraudsters are moving just as quickly, targeting Australians through scam emails, texts, and unsolicited offers that appear legitimate but are designed to exploit trust. This is why legislative guardrails are essential to protect members from criminals while allowing innovation to progress safely.

Making advice a national priority

Delivering affordable, accessible advice at scale is a national priority, not just an industry issue. Effective guidance helps Australians manage longevity risk, market volatility, and retirement income, building their trust in the super system, while reducing long-term reliance on the Age Pension.

Collaboration across super funds, advisers, regulators, policymakers, and technology providers is essential. Integrating financial literacy and advice into schools helps Australians build lifelong habits, while normalising advice as part of everyday planning – much like a visit to the GP for preventative health care – builds trust and confidence over time.

Australia has built one of the world's strongest super systems, achieved through collaboration between government, regulators, and industry. The challenge ahead is turning that into a retirement system that delivers confidence, choice, and income certainty for every Australian.



By embracing innovation, scaling access, and positioning advice as a public good, Australia can move beyond accumulation to a retirement system that truly serves all Australians.

ABOUT MUFG RETIREMENT SOLUTIONS

MUFG Retirement Solutions is the leading provider of administration and technology services to the Australian superannuation industry. With a deep understanding of the regulatory landscape and a commitment to innovation, we partner with our clients to lead the next generation of retirement solutions and reimagine the future for their members.

MUFG Retirement Solutions
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