

**The advice landscape  
in a post Royal  
Commission world**



## Before we begin

This presentation contains general advice and does not take into account the investment objectives, financial situation or needs of any particular individual.

You should consider the appropriateness of the advice, having regard to your own particular objectives, financial situation and needs before acting on any advice. You need to apply the concepts to your own situation before making an investment decision.

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We are proudly a profit-for-members fund.

**Our sole purpose** is to inspire and empower  
Australians to fulfil their retirement dreams.



# The royal commission

Watershed moment in Financial Services

## Royal commission into misconduct in the Banking, Superannuation and Financial Services Industry

**7 rounds**  
of hearings

**134**  
witnesses

**10,000+**  
public submissions

**76**  
recommendations

# Key learnings from the Royal Commission

Kenneth Hayne's six simple requirements:

Obey the law

Do not mislead  
or deceive

Be fair

Provide services which  
are fit for purpose

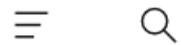
Deliver services  
with reasonable  
care and skill

When acting for  
another, act in the  
best interests of  
that other

The Sydney Morning Herald

Financial planner exodus from banks tipped as world' for industry emerges

Why not litigate? ASIC enforcement after the Banking Royal Commission



FINANCIAL REVIEW

Banking royal commission: Big banks thrown into disarray on financial advice



**Better advice outcomes  
building consumer trust and confidence**  
Raising educational, training and ethical standards of financial advisers

**Education**

A framework for advisers to raise education standards, improve advice capabilities and deliver consistent outcomes for the consumer.

**Work and Training (Professional Year)**

Allowing on the job learning for new or returning advisers entering the industry which combines practical skill development with expert supervision

**Exam**

Verifying the capability of individual advisers by enabling them to apply their knowledge and skills to real-life advice scenarios

**Foreign Qualifications**

Providing recognition of prior learning for advisers entering the Australian industry with foreign qualifications, while ensuring there is an equivalence to adviser education standards

**Naming of Provisional Provider**

Identifying a term for advisers undergoing their work and training (professional year) requirement to provide clarity and confidence to industry and consumers receiving advice

**Continuing Professional Development**

Ensuring advisers regularly refresh their technical, regulatory, client care, professionalism and ethical knowledge and skills to improve consistency in client service standards

**Code of Ethics (The Base)**

A principles-based standard designed to professionalise the sector by committing advisers to a high standard of providing an ethical and professional service

**What does good advice  
look like now?**

# What to look for when considering advice

## What do I value in an advice relationship?

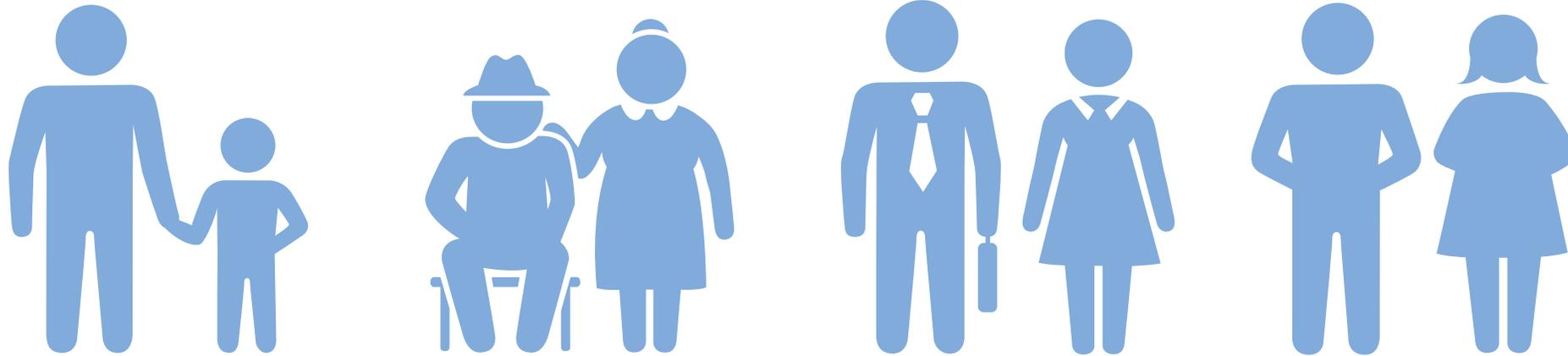
- Different advice models are **emerging**
- User pays, but **why pay** for what you **don't value?**
- Advice practices **specialising** in specific types of advice - **Gen Y or Gen Z**
- **ASIC Adviser Register** details

# Sunsuper Advice

Our job is to help more members retire with more because of good quality financial advice.



# Sunsuper's advice challenges



With over **1.4 million members nationwide**, we have a **scale** and **geographic challenge** to provide advice. A salaried adviser workforce is not scalable and is high cost.

We have a **diverse range of members** from rural to urban areas. Our members also range in age from **just starting** employment to **retirees**.

# Sunsuper's advice model guiding principles



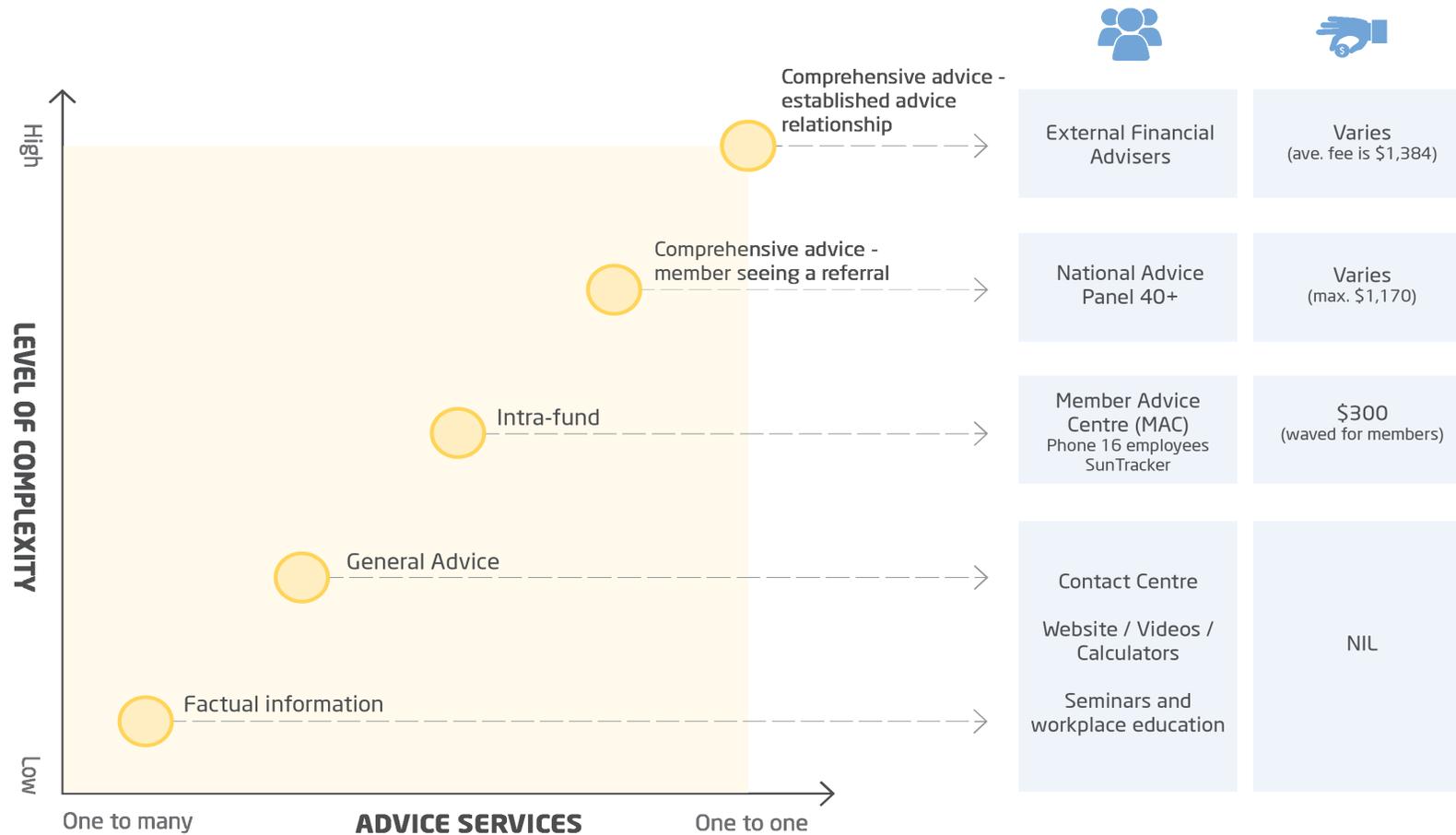
**Educate our members** so they act as early as possible and make *informed choices* about their retirement savings and make it **easier** for them **to retire at a time of their choosing**.



**Affordable, accessible and scalable for the fund:**

- An open architecture advice service available to all members, regardless of balance, location or complexity.
- Our advice model enables our members **to easily engage with the adviser of their choice** (internal or external).

# Sunsuper's advice model open architecture design



All channels provide advice to existing Sunsuper members but only the NAP and external advisers provide advice on either new money and/or new members to the fund. This model removes the risk of conflicted advice or churning for Sunsuper.

**What is the value of advice to you?**

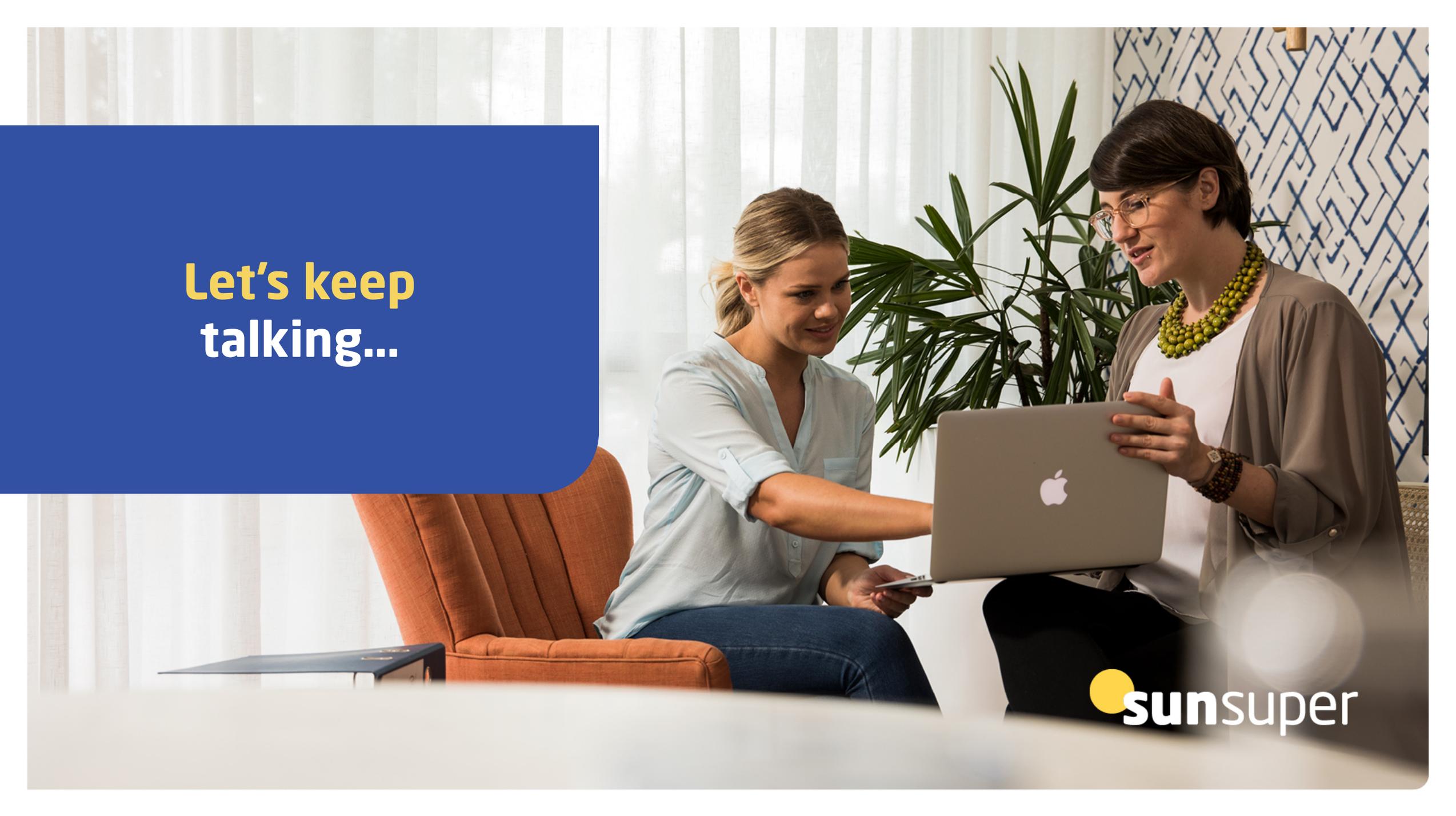


# Value of Advice Report

The value of advice in preparing for retirement  
2019



**Let's keep  
talking...**



 sunsuper