

Digital Technology and Financial Guidance

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1 Introduction

As Australia's superannuation system has matured and evolved, its focus has broadened from accumulation to also encompass retirement adequacy and decumulation. In the accumulation stage, defaults have supported members who prefer not to make active choices, but ultimate decision-making has always rested with the individual. This structure has worked well for accumulation, but a significant challenge is emerging as the focus shifts to retirement and decumulation. Accumulation is a relatively straightforward task where the MySuper default plays a helpful role; however, retirement is complex and opt-out defaults are unlikely to perform the helpful role that they have played at the accumulation stage. This is the essence of the problem.

As members move from the accumulation stage to the retirement stage, they face a growing number of new financial decisions which are of critical importance. Yet financial literacy remains persistently low, and many Australians report difficulty navigating complex retirement choices. This leads to diminished confidence, missed opportunities, and poorer financial and wellbeing outcomes.

This paper examines the role of financial guidance in addressing these challenges. Drawing on the existing literature, behavioural insights and large-scale member research from AustralianSuper's 3.5 million members, it explores the relationship between knowledge, confidence, engagement, and financial behaviour. The evidence indicates that while knowledge correlates with an individual's wealth, guidance is uniquely positioned to bridge the financial literacy gap. As well as strengthening confidence, guidance enables members to take actions that support better financial outcomes which further strengthens confidence, ultimately improving overall wellbeing.

Despite the clear need to support members in retirement and the strong potential of guidance to improve decision-making, access to guidance remains fragmented. High costs, a shrinking adviser workforce, and complex regulation have created significant gaps, while disconnected data and limited coordination across government and industry constrain trustees' ability to deliver truly personalised support.

This paper, therefore, examines how emerging digital and AI-enabled models can provide tailored, affordable, and scalable guidance. It considers how trustees – particularly profit for member funds with aligned incentives and significant scale – can integrate digital tools, targeted nudges, and omni-channel experiences to better support members throughout their financial journey.

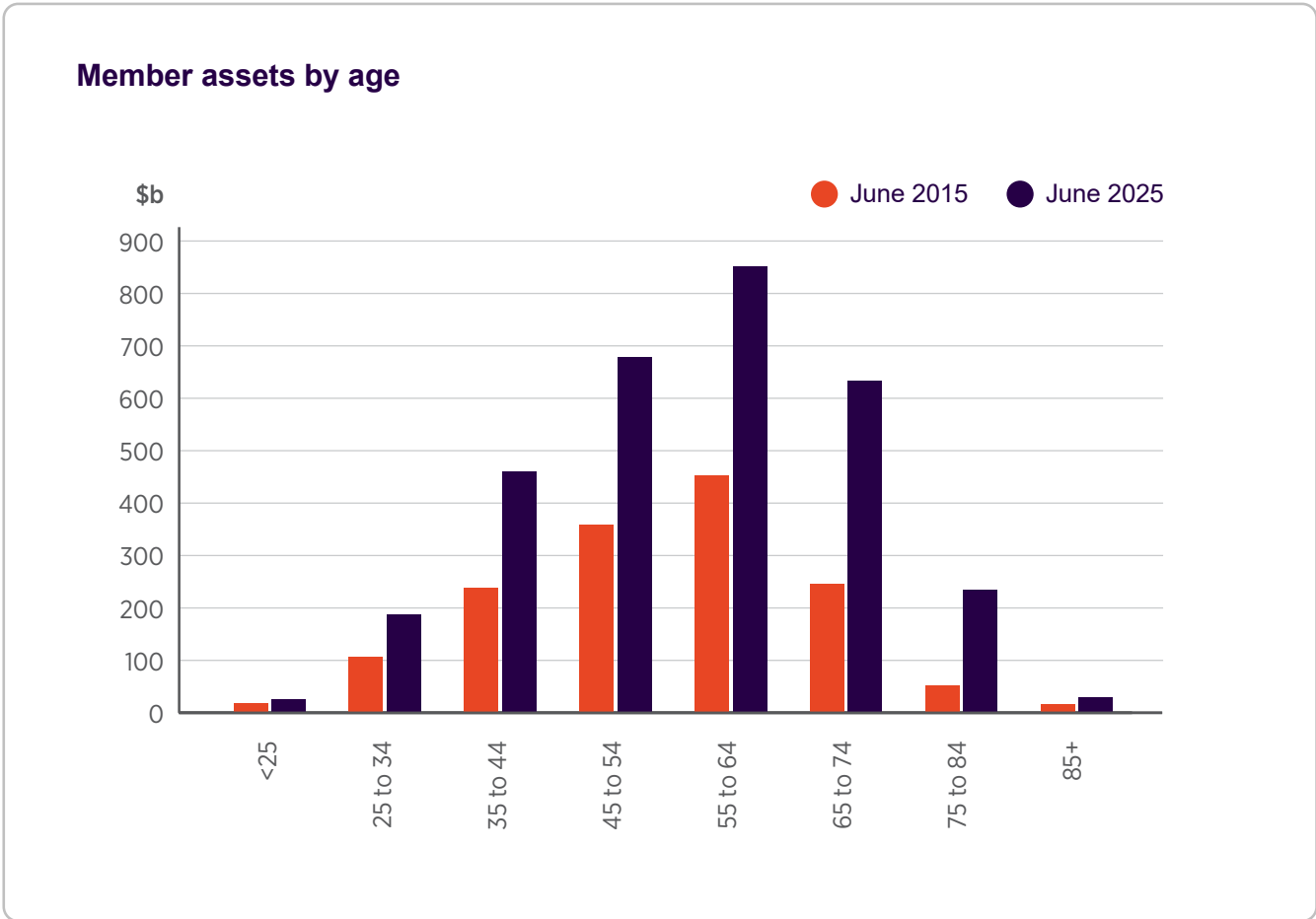
Trustees can use emerging technologies to improve members' transition to retirement; legislative and policy change would take this improvement further. Accordingly, the paper concludes by identifying reforms, such as better data-sharing frameworks and measures enabling trustees to assist with Age Pension eligibility and applications, that would help unlock these opportunities. Together, these reforms and behavioural interventions form the foundation for a more coherent, personalised, and equitable retirement guidance system, and a more financially capable and confident population.

2 The superannuation system – from accumulation to decumulation

Since the compulsory Superannuation Guarantee (SG) was introduced in 1992, Australia’s superannuation system has become one of the nation’s most successful economic and social policy achievements.

The system has matured into one of the world’s strongest retirement income systems, with a \$4.5 trillion national asset pool¹. Assets amongst members aged 65 years and older increased by 11.1% per year from 2015 to 2025, more than the 6.5% per year for members less than 65 years of age.² Almost 4.5 million Australians are already in retirement, and a further 800,000 intend to retire in the next five years – superannuation is already playing an important role funding existing retirees and will play an even greater role funding retirees in the future³.

With the system’s structural success, the obligations of superannuation trustees have evolved, presenting a new set of challenges. What was once a model focused primarily on accumulation is now increasingly defined by retirement and decumulation. The core task for trustees is no longer to simply grow balances but to also help members make the best use of their money in retirement; inevitably, this requires that members have access to appropriate guidance.

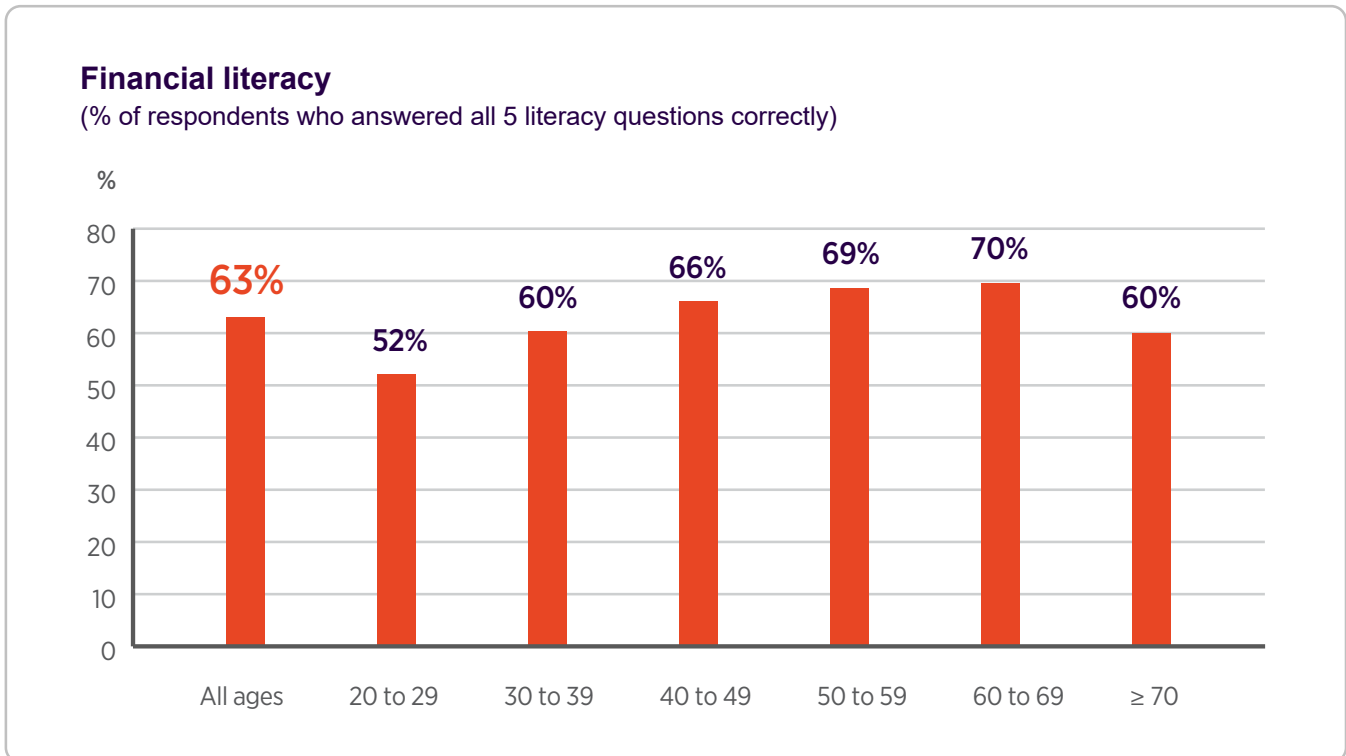


Source: APRA (2025). *APRA: Key Metrics Dataset – Membership*. Published 9 December 2025.

1 APRA (2025). Quarterly Superannuation Statistics – September 2025. Released November 2025.
2 APRA (2025). *APRA: Key Metrics Dataset – Membership*. Published 9 December 2025.
3 ABS (2025). Retirement and Retirement Intentions, 2024–5. Released October 2025.

3 The implications of low financial literacy and low understanding of superannuation

Financial illiteracy is relatively widespread in Australia, leaving many people unable to fully understand their financial situation or make informed financial decisions. The HILDA Wave 20 survey examined financial literacy based on five straightforward financial concepts and found that only 63% of adults understood all five. If understanding these concepts is seen as a benchmark for financial literacy, 37% of Australians could be considered financial illiterate. Rates are even higher among cohorts with lower incomes or education levels, who are unemployed, younger and women.



Source: HILDA Wave 20 (2020).

Australia’s National Curriculum does not require personal finance to be taught in schools, leaving many people with little early exposure to financial concepts. Australia’s National Financial Capability Strategy is also inactive, not clearly defined and lags OECD peers. Research shows that coordination is one of the greatest challenges across all jurisdictions and that Australia lacks the leadership necessary to align policy settings.⁴

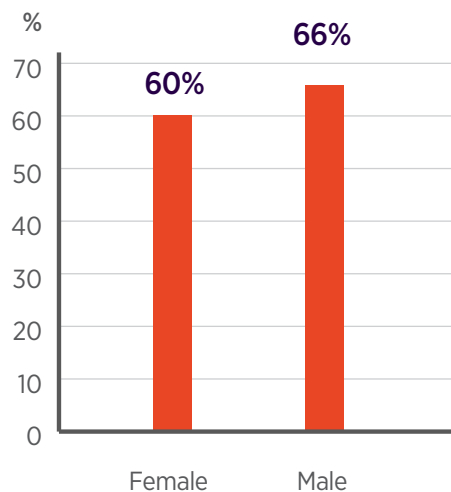
However, the problem is broader than narrow measures of financial literacy. Awareness and understanding of how superannuation works and the value it delivers remains limited, particularly among younger Australians. Research shows many are disengaged with their superannuation, which contributes to poor retirement planning. Only 44% of AustralianSuper members aged 50 to 65 years are confident they will live well in retirement; furthermore, 77% of AustralianSuper members 50 years and over are undecided on what they will do in retirement.⁵

⁴ Ecstra Foundation (2024), *International approaches to progressing financial capability*.

⁵ AustralianSuper (2023), *Retirement Study*.

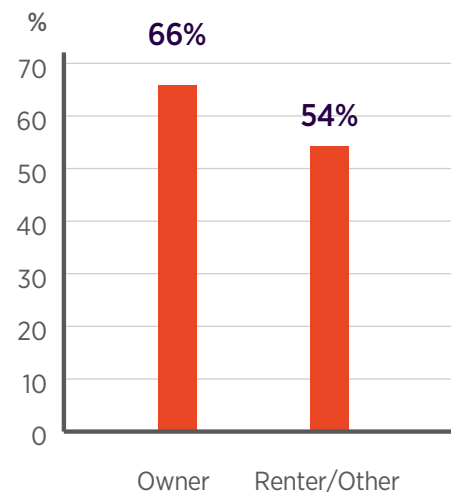
Financial literacy

By gender



Financial literacy

By home ownership



Source: HILDA Wave 20 (2020), cited in Financial Literacy in Australia: Insights from HILDA Data Professor Alison Preston UWA Business School, March 2020.

Low financial literacy in the Australian population needs to be addressed because it can lead to adverse outcomes such as reduced confidence⁶, increased financial stress and increased susceptibility to financial frauds or scams⁷. Last year, for example, more than 12,000 Australians lost more than \$1 billion in retirement savings through the collapse of Shield and First Guardian, many of whom were persuaded by aggressive marketing and inappropriate advice into complex products they did not fully understand. Not only can financial illiteracy inhibit making financial decisions and taking positive actions that, in many instances, can have a considerable impact on retirement wealth and wellbeing, but it also leaves people vulnerable to predatory practices and consumer harm. In response, government has proposed a 'cooling off' period to give members time to reconsider their decision to switch funds. However, for those who may not have the financial knowledge or confidence to make decisions and take actions on their own, guidance can encourage people to engage and take actions that can improve their financial outcomes and wellbeing, while also minimising consumer harm.

4 The benefits of guidance

A starting point of low financial literacy means reduced engagement, actions and missed opportunities to improve retirement outcomes. Evidence presented in this paper illustrates the importance of guidance in helping people take actions and become more confident. The result is improved financial outcomes into retirement and a further strengthening in confidence all of which ultimately improves people's wellbeing.

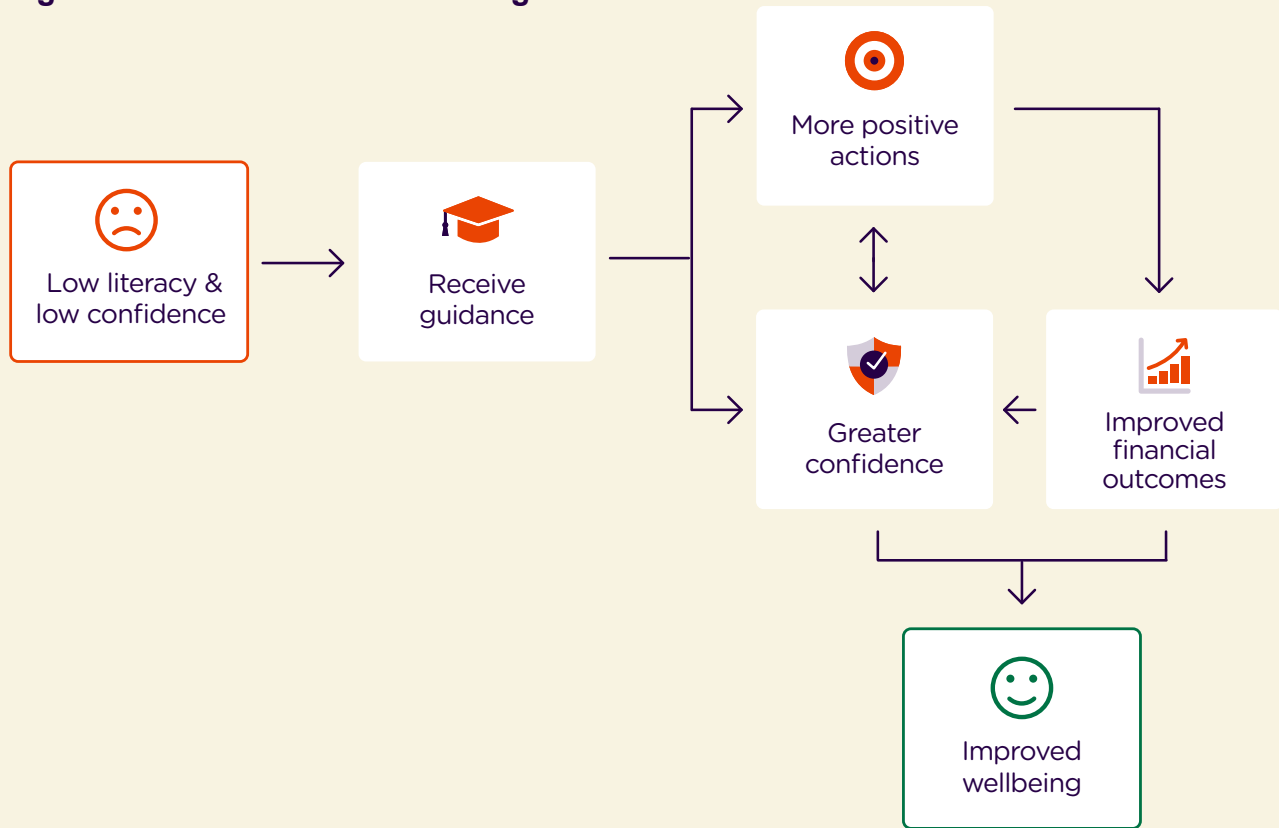
i Research methodology

AustralianSuper conducted research on the hypothesis that guidance is a behavioural catalyst for individuals – boosting confidence and encouraging positive actions that improve financial outcomes – ultimately helping members feel more confident they will live well in retirement (Figure 2). To demonstrate the strength of this relationship, it was compared to the well-known, and much researched, relationship with wealth.

6 AMP (2023). *The financial literacy gender problem in Australia*.

7 OECD/INFE (2023). *International survey of adult financial literacy*. Around two out of three adults who have been a victim of a financial fraud or scam do not reach the minimum target financial literacy score.

Figure 2: Flowchart – Benefits of guidance



The following key terms and variables are defined as they are applied in the research, modelling and analysis:

- **Guidance:** refers to helping, educating, informing or advising consumers in relation to finance, superannuation or retirement. See Section 5 for further details.
- **Actions:** refer to observable behaviours undertaken by an individual to manage or improve their financial position or retirement preparedness.
- **Confidence:** A member's belief that they will live well in retirement
- **Wealth:** refers to an individual's financial assets. For superannuation, this refers to account balance or retirement income.
- **Wellbeing:** refers to an individual's overall sense of financial security, emotional comfort, and quality of life in retirement. Wellbeing is inferred from an individual's wealth and confidence levels.

The analysis presented draws on a quantitative online survey conducted between 15 April and 13 May 2024. A total of 5,061 respondents participated, comprising 2,925 AustralianSuper members aged 18+ sourced from AustralianSuper's database and 2,136 non-members aged 18+ recruited through an external online research panel. The survey was weighted to ensure alignment with population distributions across life-stage segments, gender, and geographic regions.

As with all survey-based research, the findings rely on participants' self-reported attitudes and behaviours, which may introduce some degree of recall error or response bias. Nonetheless, the methodology used provides a sound basis for interpreting the results with confidence. The approach to survey design and respondent selection ensures that the insights presented are robust, reliable and appropriate for drawing meaningful conclusions.

The following sub-sections discuss the results of paired t-tests that measure the strengths of the relationships between the key variables as represented in Figure 2 above.

ii Guidance leads to action

AustralianSuper's research suggests that receiving guidance is associated with a measurable increase in the likelihood of taking action.

Survey respondents were asked to report the types of financial advice they had received. Individuals who had obtained retirement-related financial advice from a financial adviser recommended by their super fund or bank, an independent financial adviser, an accountant, or directly from their super fund were classified as having received guidance. Respondents were then asked whether they had taken actions such as changing their insurance coverage, making voluntary contributions, changing their investment option, changing super funds or opening a retirement income account.

The results show a statistically significant difference between the amount of guidance respondents reported receiving and the actions they took. [A paired t-test confirms that action levels are consistently higher than guidance received ($p < 0.00001$), with a small-to-moderate effect size (Cohen's $d = 0.347$).]

Paired t-test: Action Taken in Last 12 months vs Guidance Received

p-value	<0.00001 (Significant)
Effect size (Cohen's d)	0.347 (Small to Moderate)

AustralianSuper conducts engagement programs across multiple mediums to encourage members to take actions. When delivered in a palatable way, educational guidance becomes accessible to a wider audience of members with varying degrees of financial literacy. In April 2025, AustralianSuper hosted a two-part webinar series on the Pathways to Retirement to educate members on how to lay good foundations for and transition into life afterwork. 59% of post-survey respondents felt motivated to take an action following the webinars, and 11% of members who attended went on to make a voluntary contribution or convert their super into a pension account. Further, guidance that is targeted towards key dates and milestones can be triggers for members to take action, such as AustralianSuper's FY25 Tax Time campaign that saw 22% of the campaign audience make an additional contribution over the two-month period prior to end of FY25.

iii Actions lead to confidence

AustralianSuper's survey also shows that those who report having taken an action in the last 12 months are materially more likely to feel confident that they will live well in retirement.

To assess confidence, respondents were asked to rate on a scale of 1–5, their agreement with the statement "I know enough to be able to manage my money/finances".

Results show that people who take an action tend to report higher confidence than those who do not. The very small p-value ($p < 0.0001$) indicates that this relationship is highly unlikely to be due to chance, and the effect size of 0.234 indicates a small but meaningful difference.

Paired t-test: Action Taken in Last 12 months vs "I know enough to be able to manage my money/finances"

p-value	<0.00001 (Significant)
Effect size (Cohen's d)	0.234 (Small)

Of course, confidence itself can encourage members to engage further and take subsequent actions, thus appearing to create a reinforcing relationship. Research from SMC suggests that members who have completed one action are more confident and more likely to complete additional actions, with higher engagement levels amplifying this effect⁸.

iv Guidance leads to confidence

The simple act of receiving guidance can also directly give members a sense of improved confidence. One can posit that guidance alone may reassure members even if no action is taken.

When the assessment of confidence is extended to include rating the statements “I feel confident about my current financial situation” and “My future is clear to me, not vague or uncertain”, statistically significant relationships ($p < 0.0001$) can be seen between guidance and confidence, with small to medium effect (Cohen’s $d = 0.233 - 0.566$).

Paired t-test: “I know enough to be able to manage my money / finances” vs Guidance

p-value <0.00001 (Significant)

Effect size (Cohen’s d) 0.566 (Medium)

Paired t-test: “I feel confident about my current financial situation” vs Guidance

p-value <0.00001 (Significant)

Effect size (Cohen’s d) 0.378 (Small)

Paired t-test: “My future is clear to me, not vague or uncertain” vs Guidance

p-value <0.00001 (Significant)

Effect size (Cohen’s d) 0.233 (Small)

v Actions improve wealth

To illustrate the benefits of guidance, consider a 30yo female earning an average salary. Her balance at retirement could increase from \$714,000 to \$982,000 if she accepted guidance recommendations to make concessional contributions and review her insurance work rating. If at retirement, she accepts guidance again to open an account-based pension without delay, these changes would increase her total income in retirement by \$5,700 p.a.⁹

These results demonstrate that guidance is an effective vehicle for increasing the likelihood of members taking actions that seek to improve their financial outcomes, particularly for those with low financial literacy. Furthermore, members who have received guidance and taken actions to improve their financial outcomes are likely to be more confident that they will live well in retirement, contributing positively to both the tangible and sentiment aspects of wellbeing.

vi Guidance can be a larger driver than the wealth effect

It is well known that an individual’s wealth tends to impact their financial literacy, confidence and willingness to take action. AustralianSuper’s research finds the impact of guidance can be even stronger than the wealth effect. For example, those who had attended a seminar or webinar were 2.08 times more likely to report that they know enough to be able to manage their money/finances, well above that influence of wealth on the same measure.¹⁰

⁸ Pyxis for Super Members Council (2025). *Unpublished survey for SMC by Pyxis*, pages 41 and 55. 69% of respondents who are confident they will have enough super have taken at least one action in last 12 months, 49% have taken more than one. Higher engagement increases likelihood of actions e.g. the ‘high engagement’ group are 4.1 times as likely as the low engagement group to have made a voluntary contribution in the last 12 months.

⁹ Refer to appendix for assumptions.

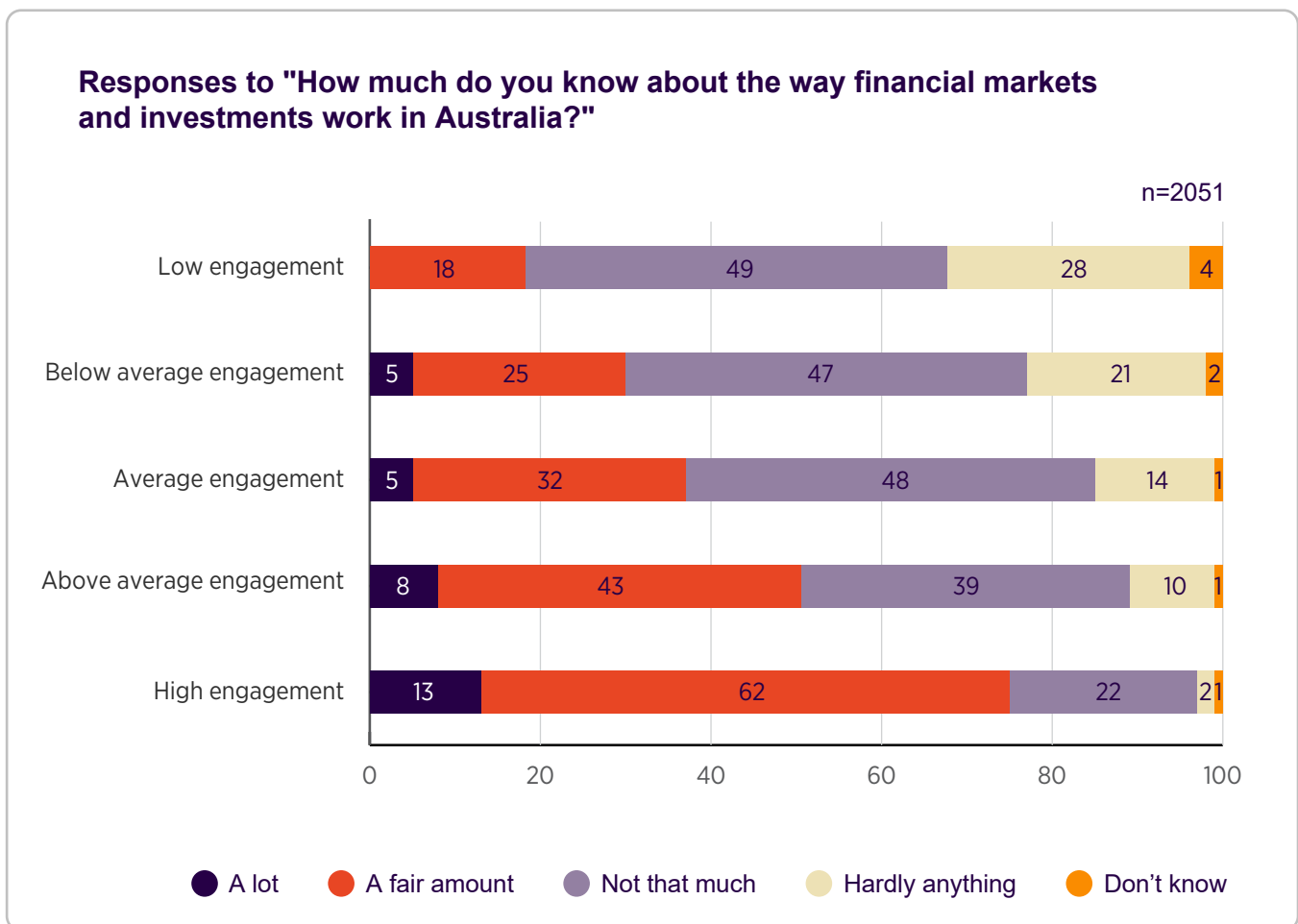
¹⁰ Logistic regression: Know = Agree or Strongly Agree (4 or 5) on a 5-point scale. Odds ratio = $e^{0.73} = 2.08$.

Figure 1: Model output – knowledge

Logistic regression on statement "I know enough to be able to manage my money/finances"				
Variable	Estimate	Standard error	z	p
Intercept	0.30	0.06	4.88	<0.001
Attended a seminar/webinar (GUIDANCE)	0.73	0.11	6.73	<0.001
Other investments (WEALTH)	0.59	0.06	10.18	<0.001

(NB: An estimate of 0.73 implies an odds ratio of 2.08 = e^{0.73})

A separate survey from Super Members Council (SMC) conducted in 2025 found people who engaged with their super also generally felt more knowledgeable about financial markets¹¹.



¹¹ Pyxis for Super Members Council (2025), *Unpublished survey for SMC by Pyxis*, page 13.

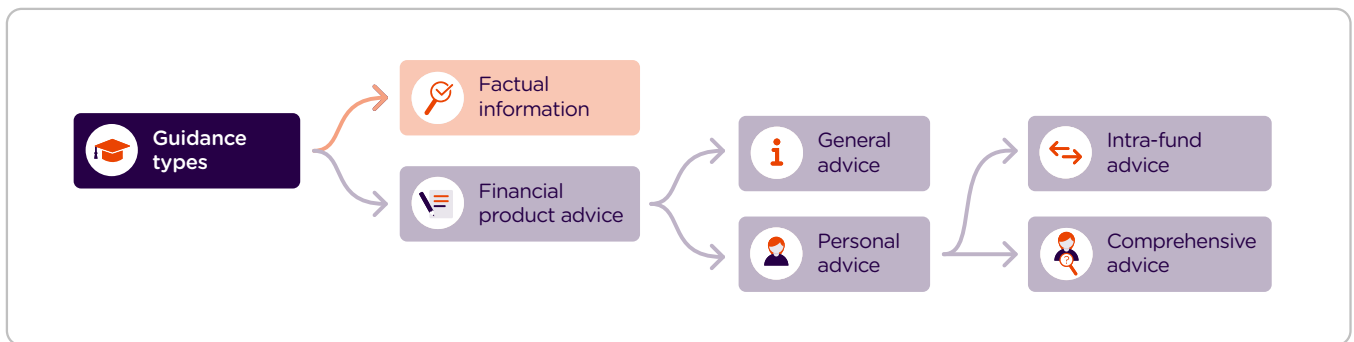
5 Broadening access to guidance for every Australian

i Defining guidance, its types and how it is delivered

Types of guidance

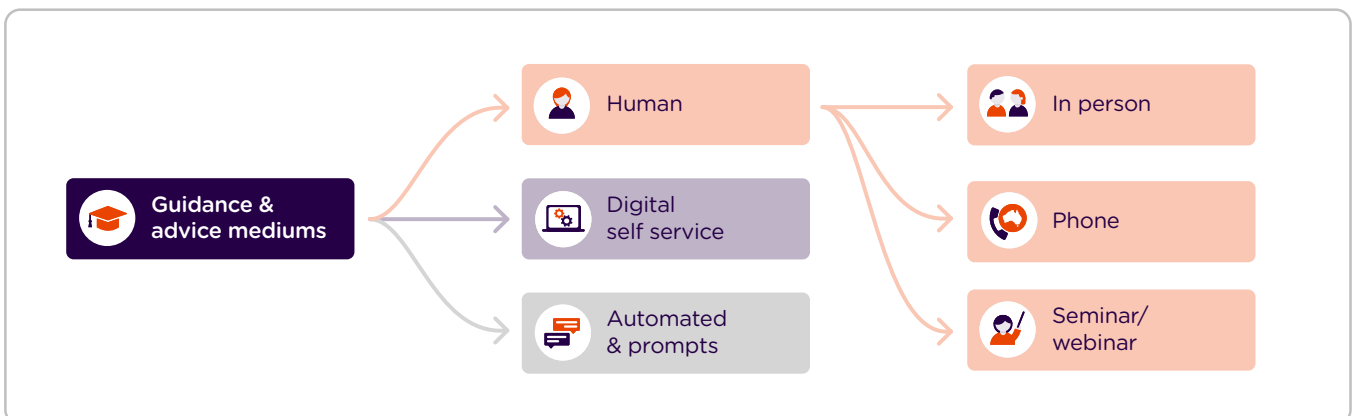
This paper uses the term 'guidance' broadly to include helping, leading, educating, informing or advising consumers about finance, superannuation or retirement. Within this definition, the regulatory framework recognises several forms of guidance:

- **Factual information** – Objective facts about products, rules or processes; no recommendation/opinion and not considered financial product advice.
- **General advice** – A recommendation or opinion not tailored to the individual's objectives, financial situation or needs.
- **Intra-fund advice** – Personal advice limited to a member's interest in a superannuation fund (per SIS Act s99F), with cost collectively charged across the membership of that Fund.
- **Comprehensive advice** – Personal advice that relates to a broad scope of the consumer's financial situation.



Delivery mediums

These types of guidance can be delivered through a range of channels:



- **In person** – One-to-one, holistic and personalised guidance, typically for comprehensive advice.
- **Phone** – Widely used by superannuation trustees for:
 - factual information via contact centres,
 - general advice via relevant teams, and in particular
 - intra-fund advice (including by video calls).

- **Seminar/webinar** – Utilised by trustees and other organisations to deliver education, including factual information and general advice.
- **Digital** – portals, calculators, guided journeys (including personal advice) and interactive education.
- **Automated & prompts** – algorithmic, rules-based recommendations and targeted nudges encouraging timely actions.

ii The role of different guidance types in our system currently

Each type of guidance plays a role in supporting Australians' financial knowledge and decision-making. Likewise, the different mediums through which they are delivered offer unique advantages in terms of accessibility, convenience and personalisation.

Ideally, these types and channels should operate together as part of a coordinated ecosystem, allowing members to access the right guidance when and how they need it. The respective types of guidance that are available to consumers (e.g. intra-fund advice and comprehensive advice) should function as complementary pillars. For example, it is assumed that about 10% to 15% of intra-fund advice interactions typically triage members into comprehensive advice. Rather than reducing demand, more intra-fund advice should increase the number of people receiving advice overall and improve referrals into comprehensive advice.

Comprehensive advice

Comprehensive advice has historically been the primary pathway for Australians to receive guidance on retirement, but regulation driven by misconduct has increased its cost. Median fees rose from \$2,510 in 2019 to \$4,668 in 2025, putting comprehensive advice beyond the reach of most people. As a result, only 10.4% of Australians access it¹², underscoring the need for more scalable, affordable alternatives.

Intra-fund advice

Intra-fund advice, introduced through the 2013 Stronger Super reforms, allows trustees to give personal advice limited to a member's interest in the fund and can be 'collectively charged'. This has removed barriers for members, supporting take-up of the advice and in turn encouraged trustees to establish (largely phone-based) advice teams.

Standardised processes and use of fund data mean intra-fund advice can often be delivered quickly in a single interaction, expanding guidance to members who might otherwise be excluded by cost or complexity.

More recently digital intra-fund advice has emerged. Guided self-service tools, supported by secure portals, pre-populated member data and built-in compliance, replicate the structured human process while lowering operational costs and enabling members to seek guidance whenever they choose.

Factual information and general advice

Factual information and general advice are delivered across all mediums and provide significant value in two ways:

1. On their own – They educate Australians about key financial concepts at scale, reaching large audiences effectively.
2. As an entry point – They help members understand their specific guidance needs and available options, including whether personal financial advice is appropriate.

iii Digital opportunities to provide guidance

Digital technologies are beginning to transform how Australians receive superannuation and retirement guidance, and innovation is likely to accelerate. The adoption of digital intra-fund advice allows trustees to provide personalised guidance at scale using algorithms and decision trees to ensure compliant, personalised recommendations. As these models mature, intra-fund advice is evolving from a resource-intensive, predominantly phone-based service to a scalable, compliant, cost-effective and member-centric experience. These foundations also create scope for future AI-driven personalisation and interactive retirement planning tools, with potential to extend beyond intra-fund advice to other simple advice needs.

¹² Adviser Ratings (2025). *Annual Australian Financial Advice Landscape Report*, page 40. Available at: <https://pro.adviserratings.com.au/docs/2025-Australian-Financial-Advice-Landscape.pdf>

Emerging and future technology opportunities

Emerging technologies give trustees major opportunities to deliver high-impact financial guidance at scale and very low cost. AI, machine learning and advanced data analytics enable a shift from reactive, rigid models to proactive, personalised guidance. Robust measurement, improved data analytics and feedback mechanisms will help trustees evaluate impact, refine journeys and build confidence that interventions are improving member outcomes.

By integrating predictive analytics with member data, trustees can anticipate life events and deliver timely nudges and tailored strategies. Advice can evolve from resource-intensive, episodic interactions to automated, intelligent, and on-demand services that enhance relevance, engagement and efficiency. This will only succeed if members value the guidance, meaning it must be relevant and tailored to their personal circumstances.

As open-banking and data-sharing frameworks mature, trustees will be able to consolidate previously fragmented financial information and deliver holistic advice that aligns superannuation decisions with broader financial goals. These emerging technologies can transform member outcomes, but they also require a corresponding uplift in governance to manage them responsibly.

6 The role of superannuation trustees

The evolution of digital technologies alone will not improve outcomes for Australians. Real progress will depend on organisations with the scale and expertise taking the necessary actions to invest in and deploy these technologies effectively.

Australia's superannuation system is unique. Since 1992, compulsory superannuation has required employers to contribute a proportion of worker's wages to retirement savings. This model has been highly successful but growing balances and a wave of members moving to retirement have significantly expanded the role and responsibilities of trustees.

Superannuation trustees are well placed to improve member outcomes. Their legal and regulatory mandate, scale, and high levels of member trust distinguish them from other financial institutions. Profit-for-member (industry) funds play a particularly important role, representing 14.4 million or 57.8% of all superannuation accounts¹³. Structurally, the incentives, governance and operating model of these funds are well aligned with member outcomes, putting them in a good position to provide guidance and advice.

Trustees operate under a robust statutory and prudential framework, including the best financial interests covenant (*SIS Act* s52), APRA's SPS 515 and the Retirement Income Covenant, which require a focus on member outcomes, expenditure governance, and informed retirement income strategies. Providing guidance to support members' financial decisions is a natural extension of responsibilities.

The system's scale is also significant. Australia's \$4.5 trillion superannuation pool, of which 98 entities manage \$3.2 trillion,¹⁴ enables trustees to achieve economies of scale in technology investment, making it feasible to build and maintain advanced digital guidance infrastructure, which is difficult for smaller industry participants.

Competition is another unusual feature of the Australian system. Member contributions vest immediately and members can switch funds easily. Monthly league tables of fund performance are widely circulated and provide a ready prompt to members. There are 10 or so funds of global scale who are all very conscious that persistently disappointing their members would represent an existential threat. Outside the superannuation sector, there would be few, if any, Australian industries with this number of global scale competitors. The competitive nature of the system is therefore another force incentivising trustees of the largest funds to innovate and adopt new technologies that could improve member outcomes.

High levels of member trust further support the expansion of guidance. Superannuation funds consistently rank among Australia's most trusted financial institutions¹⁵, driving stronger engagement and willingness to share personal information. A quantitative study that surveyed 3,192 AustralianSuper members found 51% of

¹³ APRA (2025). *Table 7 Number of Member Accounts*. Available at: [Annual superannuation bulletin June 2015 to June 2025 - Superannuation entities.xlsx](#) date accessed 23 December 2025.

¹⁴ APRA (2025). *Table 6: Total superannuation assets and liabilities*. Available at: [Annual superannuation bulletin June 2015 to June 2025 - Superannuation entities.xlsx](#), date accessed 23 December 2025.

¹⁵ RepTrak (2026). *Q1 FY26 RepTrak Reputation Management Summary Report, RepTrak Reputation Measurement Q1 FY2026*.

accumulation-phase members were willing to provide personal information for financial advice. Willingness to share information increased when related to specific topics, such as financial goals (70%), home ownership status (69%), number of financial dependents (69%), level of risk tolerance (68%) and relationship status (67%). Notably, 78% agreed that super funds should make personalised financial advice easier to access¹⁶.

7 The case for legislative change

The transition from an accumulation-focused system to one centred on retirement income has created new challenges. The increase in the number of retirees, combined with this structural shift, makes it timely to re-examine legislation to see how it might be fine-tuned to allow trustees to better support members' decision making in a world where members have a pressing and developing need for better guidance. Trustees can continue to innovate to meet this rising demand, but meaningful guidance ultimately depends on superannuation funds gaining a holistic and accurate understanding of members' financial circumstances.

Currently trustees lack passive access to critical data such as marital status, home ownership, outstanding debts, eligibility for the Age Pension and assets or income outside superannuation. This information is essential for recommending strategies and products that align with members' objectives and needs, particularly at key planning stages such as the transition to retirement. Data-sharing currently exists between superannuation funds and the Australian Taxation Office, however the current legislative regime does not empower members to give their superannuation fund secure access to relevant data held by government, preventing the full realisation of the benefits of financial guidance and the demonstrated increase in economic outcomes and wellbeing.

The behavioural economics literature underscores the importance of 'choice architecture' and the role of timely, personalised nudges in facilitating optimal decision-making at critical life junctures¹⁷. In the context of guidance, the absence of integrated data flows impedes the abilities of trustees to deliver such interventions, thereby perpetuating inefficiencies and inequities in retirement outcomes.

Two principal legislative reforms come to the fore: first, establishing a statutory framework to facilitate members authorising the sharing of their data; and second, enabling trustees to assist members apply for the Age Pension.

i Data sharing

Legislation that empowers individuals to grant their superannuation fund secure, conditional access to relevant data held by government agencies would enable trustees to provide guidance relevant to members' individual objectives and constraints, thereby improving financial outcomes. This statutory framework must be established on explicit, informed consent, with robust privacy protections and transparent governance.

While the Federal Government's response to the Quality of Advice Review is poised to expand access to intra-fund advice, even a substantial increase in the number of licensed advisers will be insufficient to address projected demand. Legislative reform must therefore be conceived as part of a broader systemic recalibration, wherein superannuation funds, empowered by secure data access and collaborative regulatory frameworks, are positioned to deliver scalable, personalised guidance at population level.

ii Integration with the Age Pension

The Age Pension remains a foundational component of Australia's retirement income architecture, particularly for those whose balances are insufficient to sustain long-term decumulation. As a needs-based, non-contributory, means-tested pension, it has always been seen as a cornerstone of the retirement system, ensuring a dignified retirement for all Australians. Because it is means tested, there is scope to increase its real value as the coverage of the Age Pension continues to contract as superannuation balances rise; however, the means test makes the application process complicated.¹⁸

¹⁶ AustralianSuper (2024). *Digital Guidance Study Insights Report*.

¹⁷ Thaler, R. H., & Sunstein, C. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. New Haven, CT: Yale University Press. Available at: <https://www.cole13.com/wp-content/uploads/2023/05/Nudge-Improving-Decisions-About-Health-Wealth-and-Happiness-Richard-H.-Thaler-Cass-R.-Sunstein-Z-Library.pdf>

¹⁸ The maximum Age Pension basic rate for a Single person in real terms has increased by 47% from 1992 to 2025. The number of Australians receiving the Full Age Pension amount as a proportion of the eligible population has remained stable to date (due to a variety of factors including increased life expectancy and volume of 'baby boomers' retiring). However, the yearly increase in recipients has reduced in recent years and is expected to decrease over time as the superannuation system matures, which will result in proportionally more Australians on the Part Pension rather than the Full Pension.

When members delay their application for the government Age Pension, they can significantly impact their financial income in retirement. Superannuation funds could develop the administrative capabilities to apply for the Age Pension for eligible members, on the request of the member. However, the sole purpose test prevents superannuation funds from supporting this assistance through an 'intra-fund' or collectively charged advice model. Legislation should therefore authorise superannuation funds to assist members with navigating the complexities of Age Pension eligibility and the application process, while balancing this with their duties to their full membership. This would not only streamline administrative processes but also mitigate the risk of delayed or foregone entitlements, with significant implications for individual welfare and public policy.

In sum, while the onus remains with trustees to meet the changing needs of members, legislative reform would:

- greatly assist the sharing of information currently held by governments; this could be done in a secure, consent-based way.
- facilitate Australians' access to the Age Pension.

In reality, these reforms are foundational to the realisation of a data-driven, member-centric retirement system. If we want a system capable of meeting the evolving needs of Australia's ageing population, then legislative change becomes a necessity.

Appendix

Interpreting a table of logistic regression parameter estimates

Throughout this section, tables of logistic regression parameter estimates are referenced. Logistic regression is a statistical method used to analyse how different variables are associated with the likelihood of a particular outcome. It assesses whether each factor increases or decreases the probability of the dependent variable.

A brief guide to interpreting these tables is provided below:

- **Intercept:** appears in every logistic regression table because the model needs a starting point or “baseline” before any of the explanatory variables are taken into account. It is not something that needs to be interpreted on its own.
- **Estimate:** shows whether a factor makes the outcome more likely or less likely. A positive number means the factor increases the likelihood of the outcome; a negative number means it reduces the likelihood. Bigger numbers (in either direction) mean the effect is stronger.
- **Standard error:** A measure of the precision of the estimate. Smaller standard errors signal greater confidence in the accuracy of the estimate.
- **z-value:** Higher absolute z-values provide stronger evidence that the variable has a genuine effect. Variables with no real effect typically have z-values close to zero; variables with strong effect have z-values above ± 3
- **p-value:** The probability that the observed effect could have occurred by chance. Small p-values (typically < 0.05) indicate statistically significant relationships.

Cameo assumptions:

Assumes that the member earns \$96,933 the full-time adult average weekly ordinary time earnings for a female ([ABS Average Weekly Earnings, Australia as at May 2025](#)) and retires at age 65. Assumes the member's current super balance is \$58,900 the average super balance by age and gender ([Deloitte Average Balances to 30 June 2024](#)). The base case assumes that the member does not salary sacrifice and delays opening an Account Based Pension for 5 years. With guidance, it is assumed the member salary sacrifices \$100 pw until age 65, opens an account-based pension as soon as they are eligible to do so, and changes their insurance work rating to White Collar (an occupational factor of 55% is applied to the AustralianSuper average insurance costs).

Salary indexed at 3.5% pa. AustralianSuper administration fees of \$1 pw and 0.10% of account balance (capped at \$350 pa) and AustralianSuper average insurance costs of \$450 pa. Assumes member will receive a tax benefit of 15% on any administration fees and any insurance fees deducted directly from the account. Investment returns projected over the working lifetime are 6.5% p.a, net of fees and applicable taxes. SG contributions are 12%. Assumes member works full-time throughout the projection period with no career breaks. Results are expressed in today's dollars by discounting at wage inflation of 3.5%. Retirement income figures rounded to the nearest \$100.

Cameo assumes a level income is received from the account-based pension and Age Pension combined over 25 years from retirement. Investment returns in account-based pension after fees and taxes of 6.0% pa. Assume AustralianSuper Choice Income admin fees of \$1 per member per week plus 0.10% of account balance (max \$600pa). For Age Pension purposes we assume: Member is a single, homeowner, Age Pension rate as at 20 September 2025, increasing in line with average earnings of 3.5% p.a., assets test and income tests thresholds as at 20 September 2025 increasing in line with CPI of 2.5% p.a. Income figures in today's dollars by discounting at 3.5% p.a.

The projection is only an estimate and isn't a guarantee. The actual benefits you receive will depend on a range of factors including future economic conditions, investment performance and legislative change.

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