

3 April 2020

The Manager  
Retirement Income Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [superannuation@treasury.gov.au](mailto:superannuation@treasury.gov.au)

Dear Treasury,

### **AFA Submission: Improving Flexibility of Superannuation for Older Australians**

The Association of Financial Advisers Limited (**AFA**) has served the financial advice industry for over 70 years. Our objective is to achieve *Great Advice for More Australians* and we do this through:

- advocating for appropriate policy settings for financial advice
- enforcing a Code of Ethical Conduct
- investing in consumer-based research
- developing professional development pathways for financial advisers
- connecting key stakeholders within the financial advice community
- educating consumers around the importance of financial advice

The Board of the AFA is elected by the Membership and all Directors are currently practicing financial advisers. This ensures that the policy positions taken by the AFA are framed with practical, workable outcomes in mind, but are also aligned to achieving our vision of having the quality of relationships shared between advisers and their clients understood and valued throughout society. This will play a vital role in helping Australians reach their potential through building, managing and protecting wealth.

### **AFA's Response**

The AFA supports the 2019/20 budget measures to improve flexibility of superannuation for older Australians, through enabling:

- The increase in the age at which the work test commences to apply, with respect to voluntary concessional and non-concessional superannuation contributions, from 65 to 67.
- The cut off age for spouse contributions to be extended from 69 to 74.
- Extension of the three year bring forward rule to apply to people aged 65 and 66.

We do not have any specific feedback on either the draft Treasury Laws Amendment (Measures 3 for a later sitting) Bill 2020: Improving 4 Flexibility for Older Australians or the Superannuation Legislation Amendment (2020 Measures No. 1) Regulations 2020. We believe that the draft Bill and draft Regulation will achieve the regulatory intent.

We note that these budget measures were intended to commence from 1 July 2020, although this would now seem highly unlikely, given the impact of the coronavirus and the deferral of Parliamentary sittings until the crisis is resolved. Providing certainty with respect to the likely commencement of these measures is important for many older Australians who are currently considering their plans for future contributions to superannuation. We recommend that the Government provide clarity with respect to any change to the expected commencement timing.

### Concluding Remarks

The AFA supports increased access to superannuation for older Australians and accordingly we support both the draft Bill and the draft Regulation.

The AFA welcomes further consultation with Treasury should it require clarification of any points raised in this submission. If required, please contact us on (02) 9267 4003.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'P. Kewin'.

**Philip Kewin**  
Chief Executive Officer  
Association of Financial Advisers Ltd