

**Submission to the Australian Government Productivity Commission  
Competitiveness and Tender Efficiency of the Superannuation System**

**AXIS Financial Group Strategy**

AXIS Financial Group is a non-aligned, product agnostic, superannuation advice business specialising in providing superannuation and insurance advice to medium to large companies and their employees. AXIS has national servicing capability with resources in Perth, Brisbane, Sydney and Melbourne. Other highlights around AXIS are:

- AXIS is very much regarded as the market leader in corporate super servicing by the financial services industry.
- AXIS is one of the only companies within the financial services industry who has servicing KPI's around the quantity and quality of servicing from a client's perspective.
- AXIS services clients to first of all establish goals and objectives, milestones, parameters of performance and an ability to periodically monitor progress within this structure.
- AXIS currently attends 400 corporate site visits per annum and targets 60% advisory contact and an additional 20% administrative contact through our hub in Perth and our strategically place Corporate Advisers in other capital cities.
- AXIS does not accept the intra-fund advice fee offered by platforms. By operating in this way AXIS is able to provide non-aligned advice to corporates, thus helping them make the most appropriate decisions regarding which superannuation and insurance providers to work with.
- In the past three years, AXIS has invested over \$2m in developing technology to automate our advisory processes with a view to reducing the cost of our services to clients.
- The technology developed so far is:
  - Super Plan Evaluator
  - Super Transition Manager
  - Super Service Manager
  - Superwiser
- The above technology is owned by a company called Super Simpler Pty Ltd with the first three modules offered to market under license by AXIS Financial Group.
- The final application, Superwiser, is under development and will be taken to market by Super Simpler Pty Ltd (refer separate submission).



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## Market Competitiveness

MySuper has brought costs down in the various master trust with industry funds and SMSF's being generally unresponsive. In responding to regulatory change, the major players have continued to be more concerned about their profit margins and reserves than about customer service. Essentially you have too much cost being paid for what is essentially a record keeping service with some false acknowledgement among the major players to the delivery of affordable quality service to the end clients who actually own the asset. Competition in any market is usually brought about by smaller and more nimble market operators forcing the bigger players to change their model. The over regulation in the financial services industry has not changed the attitudes of the major players towards affordability of a quality service and it would be the concern of AXIS Financial Group that further regulation as influenced by the major players would not improve competition.

AXIS believes that the development of technology within the market is on the cusp of changing attitudes of the service providers within the financial services industry. This is an imminent and significant market force which will disrupt the strategies of all players.

## Choosing a Default Fund

The current problem in the market is that most tenderers are product aligned in some way. This is never clear when it is happening and this is also a constant challenge to make sure integrity is maintained. AXIS sees much of this is because there is not a source of knowledge to inform employers how to select a default fund and no ability to actually monitor that services promised are periodically delivered again other service options in the market.

AXIS has developed the Super Plan Evaluator to automate the frequent comparison of alternative super arrangements for employers. The new technology evaluates comparable products and provides a mathematically calculated report in examining the performance of the current plan arrangements against other options in the market. The visibility of this calculation provides a tool so that employers can ensure optimal value is being delivered to the workforce each year.

This is again another example where an ambitious advisory company, however small in comparison with their competition, can position themselves as a specialist service provider to evaluate the performance of product solutions.

## Summary

AXIS Financial Group would welcome the opportunity to meet with Productivity Commission representatives to discuss the role of advice in assessing the competitiveness and efficiency of the superannuation system in Australia.