

SUBMISSION

Senate Economics
Legislation Committee -
Treasury Laws Amendment
(Supporting Choice in
Superannuation and Other
Measures) Bill 2025

19 February 2026

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Senator Lisa Darmanin
Chair
Senate Economics Legislation Committee
Sent via email: economics.sen@aph.gov.au

19 February 2026

Dear Chair,

Senate Economics Legislation Committee – Inquiry into the Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 (Cth)(the Bill)

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission to the Senate Economics Legislation Committee regarding your inquiry into this legislation.¹

About ASFA

ASFA, the voice of super, has been operating since 1962 and is the peak policy, research and advocacy body for Australia's superannuation industry. ASFA represents the APRA regulated superannuation industry with over 100 organisations as members from corporate, industry, retail and public sector funds, and service providers. We develop policy through collaboration with our diverse membership base and use our deep technical expertise and research capabilities to assist in advancing outcomes for Australians.

We unite the superannuation community, supporting our members with research, advocacy, education and collaboration to help Australians enjoy a dignified retirement. We promote effective practice and advocate for efficiency, sustainability and trust in our world-class retirement income system.

Opening Comments

ASFA supports this legislation, which will help to provide informed choices to superannuation fund members while also minimising the number of duplicate accounts within the Australian superannuation system.

Minimising duplicate accounts is an important principle, given that ensuring each Australian's superannuation is consolidated allows them to maximise their investments and returns while minimising additional fees and charges.

The principle of stapled funds, ensuring consolidation of superannuation accounts, has long received bi-partisan support in Australia, as demonstrated by the introduction of the *Treasury Laws Amendment (Your Future, Your Super) Act 2021* (Cth)(the YFYS Act) by the former Coalition Government.²

While we note that a number of different reforms are contained within this Bill, ASFA will confine our comments to the portions of the Bill which are most relevant to the superannuation sector, being **Schedules 1 and 2** of the legislation.

¹ Senate Economics Legislation Committee Inquiry into the Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 (the Bill) referred on [5 February 2026](#).

² Treasury Laws Amendment (Your Future, Your Super) Bill 2021 (hereafter referred to as the [YFYS Act](#))

We note that, when giving his Second Reading Speech on introducing the legislation in the House of Representatives on 26 November 2025, the Assistant Treasurer and Minister for Financial Services, the Hon. Dr Daniel Mulino MP, explicitly stated that these schedules of the legislation had the following objectives:³

- *“Schedule 1 to the bill amends the Superannuation Guarantee (Administration) Act 1992 to streamline the superannuation choice of fund process during employee onboarding.”*
- *“Schedule 2 to the bill amends the Corporations Act 2001 to impose a ban on advertising superannuation products to employees during onboarding, with certain exceptions.”*

ASFA supports the principles outlined above, as they will support superannuation fund members to streamline their superannuation choices and avoid certain undesired advertising.

Our detailed recommendations, provided in **Attachment A**, are merely intended to ensure that these proposals are most effectively implemented to achieve the Government’s underlying objectives, being to reduce duplicate accounts and ensure superannuation fund members can make appropriately informed decisions.

ASFA would welcome an opportunity to discuss these issues further with Committee if that we be of assistance.

If you have any questions in relation to our submission, please feel free to contact ASFA Policy Director, Sebastian Reinehr, at sreinehr@superannuation.asn.au or on 0474 704 992.

Yours sincerely



James Koval
Chief Policy and Advocacy Officer

³ The Hon. Dr Daniel Mulino MP (Assistant Treasurer and Minister for Financial Services), Commonwealth Parliamentary Debates, House of Representatives, Second Reading Speech on the Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 (Cth)([26 November 2025](#)) at 4070.

Contents

About ASFA	1
Opening Comments	1
ASFA’s Detailed Recommendations	4
1.1 Background	4
1.2. ASFA’s Recommendations	4
2.1. Background	6
2.2. Potential Civil Penalties for Prohibited Advertising	6
2.3. ASFA’s Recommendations	7

ASFA's Detailed Recommendations

1. Employee Onboarding Reforms

1.1 Background

Schedule 1 contains the proposed reforms to employee onboarding reforms.

It amends the *Superannuation Industry Supervision Act 1992* (Cth)(the SIS Act) by:

- Amending the stapled fund provisions in the existing **section 32R** to make it easier for an employer, or an employer's agent, to make a request to the Commissioner to identify a stapled fund for an employee of the employer before, when or after the time the employee is offered their choice of fund.⁴
- Making consequential amendments to the existing **section 32C** to clarify that, even if an employer has obtained an employee's stapled fund information, they must still provide the employee with a standard choice form to comply with choice of fund requirements. This ensures employee choice is not limited by the employer having obtained details of their stapled fund.⁵

Schedule 1 commences on the day after the legislation receives Royal Assent and applies to contributions made on or after the date of commencement.⁶

ASFA notes that the Government has indicated these reforms will allow employers to request stapled fund details earlier in the onboarding process, to help inform employees' choice of funds.⁷

ASFA further notes that, as the Minister indicated in his Second Reading Speech:⁸

This amendment supports the government's commitment to reduce unintended duplicate accounts, which can erode retirement savings through duplicate fees and insurance premiums. It will also give employers more timely and accurate superannuation details, supporting their readiness for the government's payday super reforms.

1.2. ASFA's Recommendations

ASFA supports the reforms contained in Schedule 1. We make the following recommendations to facilitate their appropriate implementation:

Recommendation 1 – ASFA recommends appropriate allocations be made to ensure that the Australian Taxation Office (ATO) can uplift their processes for identifying stapled funds.

Industry understands there has been some concerns expressed regarding the ATO portal's capacity to handle the increased scale of requests that may flow from these changes.

It will also be essential to ensure the accuracy of the relevant information, which will be crucial to the integrity of the legislation.

⁴ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 9[1.8]-[1.10].

⁵ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 9[1.11].

⁶ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 10[1.13]-[1.14].

⁷ The Hon. Dr Daniel Mulino MP (Assistant Treasurer and Minister for Financial Services), Commonwealth Parliamentary Debates, House of Representatives, Second Reading Speech on the Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 (Cth)([26 November 2025](#)) at 4070.

⁸ *Ibid.*

Recommendation 2 – An implementation concern has been identified by ASFA in relation to how the obligations may need to consider the interactions between employers, employees and payroll service providers.

In brief, ASFA recommends that the ATO consult further with payroll service providers, to overcome the issues outlined below.

The feedback we have received on this issue is the following:

- Under the current ATO policy settings and technical architecture, Digital Service Providers (DSPs) cannot reliably initiate stapled fund requests for most employee onboarding events.
- This is not a product or implementation issue; it is a structural constraint driven by the current authority requirements imposed by the ATO.
- With more than half of all new starters onboarded each year digitally, DSPs are well placed to deliver the reforms at scale through digital onboarding, but current ATO authority and dependency settings materially limit stapling coverage.
- Improving outcomes will require ATO-led policy and platform changes to remove or reduce these constraints.
- Without such changes, stapled fund information may **remain unavailable for an estimated 55–80% of onboarding events**, regardless of DSP system quality.

Currently DSP appointment is a hard gate

- This means employers must manually appoint Employment Hero or Flare/MYOB as their DSP via ATO Access Manager (or by phone).
- This appointment is required at multiple points in the onboarding process.
- There is currently no mechanism that allows a software provider to complete DSP appointment end-to-end within the platform.
- As a result, DSP appointment is a binary prerequisite: if it is not completed, no stapling request can be initiated and stapled fund information cannot be presented.

Consequences

- **Employment Hero data shows** more than 65,000 employers would need to complete the manual ATO DSP appointment step.
- **MYOB/Flare data shows** more than 140,000 employers would need to complete the manual ATO DSP appointment step.

Given these significant complications, ASFA strongly recommends that the ATO consult further with DSPs, such as MYOB and Employment Hero to overcome these challenges.

2. Ban on advertising superannuation funds during onboarding

2.1. Background

Schedule 2 contains the proposed reforms to advertising of superannuation products during employee onboarding by making certain amendments to the *Corporations Act 2001* (Cth)(the Corporations Act).⁹

The amendments include the following:

1. The Bill introduces a general prohibition on advertising superannuation products (as defined in section 9 of the Corporations Act) during employee onboarding, with certain exceptions.¹⁰
2. This means that, subject to the exceptions, the only types of products that can be advertised during onboarding are:¹¹
 - a. Certain *MySuper* products that meet the relevant conditions;¹²
 - b. The employee's stapled fund (if any);¹³ and
 - c. The employer's default fund.

These amendments would commence from 1 July 2026 and only apply to conduct occurring after that date.¹⁴

According to the Minister's Second Reading Speech, the purpose of these amendments is to ensure that Australians receive:¹⁵

[P]rotection from inappropriate advertising when they provide their superannuation details to an employer during onboarding.

2.2. Potential Civil Penalties for Prohibited Advertising

Under the legislation, a breach of the prohibition on advertising superannuation products during onboarding would be a civil penalty provision under [section 1317E](#) of the Corporations Act.

According to ASIC, under the civil penalties provisions the maximum civil penalty for **individuals** is the greater of 5,000 penalty units (currently \$1.65 million) or three times the benefit obtained and detriment avoided.¹⁶

The maximum civil penalty for **companies** is the greater of:

- 50,000 penalty units (currently \$16.5 million)
- three times the benefit obtained and detriment avoided, or
- 10 per cent of annual turnover, capped at 2.5 million penalty units (currently \$825 million).

⁹ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 11-16[2.1]-[2.26].

¹⁰ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 11[2.4].

¹¹ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 11[2.4].

¹² Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 13-14[2.11]-[2.16].

¹³ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 14-15[2.17].

¹⁴ Explanatory Memorandum, Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025 ([Cth](#)) at 15[2.18]-[2.19].

¹⁵ *Ibid.*

¹⁶ ASIC, *Fines and Penalties* (viewed on [13 February 2026](#)).

2.3. ASFA's Recommendations

Recommendation 3 – ASFA supports the general ban on advertising at the onboarding stage and the exemptions are measured and reasonable. ASFA also support the requirements that the employer must conduct a stapled fund search and provide the results to the new employee before or at the time that advertising occurs.

Recommendation 4 – In relation the presentation of employee's stapled funds, employer default funds and other MySuper products, ASFA makes the following observations:

1. Our consolidated view as the sector's peak body, as we have previously stated, is that:¹⁷

The approach in the Bill strikes a balance between maximising member choice, ensuring workers are presented with options, and knowing that they are in the best performing product for them, while continuing to ensure that the number of Australians with more than one super account continues to reduce...Starting a new job is one of the few times many people pause and think about their super. We should use that moment to put clear, comparable information in front of them so they can see what's out there and ensure they are in the best option for their age, stage, and individual needs.

2. ASFA further notes that while sensible guardrails around advertising are essential to prevent the proliferation of duplicate accounts, advertising also has a legitimate role in a choice-based superannuation system.
3. ASFA's previous submission of April 2025 to Treasury proposed regulations should be made stipulating the following:¹⁸
 - a. That the employee's stapled fund, and the default fund of the employer, should be given prominence over other advertised funds.
 - On this matter, there are different views within the superannuation sector.
 - If this approach is adopted, we asked that any regulation of advertising is finalised prior to the commencement of Payday Super on 1 July 2026.
 - b. For advertised MySuper products, advertising should be accompanied by standard information (for consumers) around choosing a superannuation fund – as per the Australian Government's YourSuper comparison tool.
 - c. For advertised MySuper products, there should be disclosure of commercial arrangements between onboarding platforms and advertised funds.

¹⁷ ASFA, Super sector welcomes parliamentary progress on advertising and stapling reforms ([26 November 2025](#)).

¹⁸ ASFA Submission to Treasury, *Payday Super: Exposure draft legislation and regulations* ([18 April 2025](#)).

Recommendation 5 – ASFA recommends that the proposed new section 992AB(b)(ii), which defines when the prohibition on advertising ends should be clarified.

1. The end time on the ban contained in subsection (ii) is open to different interpretations, because there are several different requirements in Part 3A of the *Superannuation Guarantee Act 1992* (Cth)(the SGA), for example:
 - d. providing a standard choice form; or
 - e. making contributions to the employee’s chosen fund.
2. The Explanatory Memorandum does not provide any further explanation to help clarify when the advertising ban will cease to apply for a particular employee.
3. ASFA recommends the law should more clearly define when the ban ends, so that funds and employers can apply the rules consistently.
4. In the absence of direct amendments to the primary legislation, ASFA recommends such clarification be made by updating the explanatory materials.
5. However, our preference would be for endpoints of the prohibition to be clearly stated in the primary legislation.

Recommendation 6 – ASFA suggests that the Committee should recommend the ATO release detailed Practical Compliance Guidelines (PCG) around the obligations contained in Schedule 2 of the bill.