



Submission to Treasury

# Curbing lead generation activity

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Markets Group  
Financial Advice and Investment Regulation Unit  
The Treasury  
Langton Crescent  
Parkes ACT 2600  
Via email: [FinancialAdvice@treasury.gov.au](mailto:FinancialAdvice@treasury.gov.au)

To whom it may regard,

### **Consultation: Curbing Lead Generation Activity**

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this response to the Treasury consultation on curbing lead generation activity.

#### **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 remarks**

ASFA acknowledges the significant 'grey area' in which lead generators currently operate and strongly supports reform to strengthen regulatory coverage. Having considered the proposed alternative reform options (**1a, 1b, 1c, 1d**) to enhance accountability for the conduct of lead generation activities, **ASFA supports Option 1a** that would require **lead generators to hold an Australian Financial Services License (AFSL)**.

ASFA's primary concern in relation to **Option 1b** is that it goes beyond lead generation. A broad-based ban on unlicensed communications risks limiting the scope of legitimate information that supports

consumer understanding. In case government proceeds with this option as an alternative to **Option 1a** ASFA considers it should be solely focussed on communications from lead generators.

### **Recommendations**

ASFA makes the following recommendations:

1. Adopt **Option 1a** requiring lead generators to hold an AFSL.
2. If **Option 1b** is adopted, it should solely focus on communications from lead generators.
3. Adopt Options **2a and 2b** extending anti-hawking requirements.
4. Adopt Options **3a and 3b** targeting remuneration structures that may incentivise poor conduct.
5. Adopt Option **4b** expanding ASIC stop order powers in relation to advertising.

Additional comments are provided in the Appendix to this submission.

### **Closing remarks**

We look forward to continuing to engage with you on these topics. To discuss any of these issues further contact ASFA Policy Manager Luke O'Donnell at [lodonnell@superannuation.asn.au](mailto:lodonnell@superannuation.asn.au) or on 0407 486 877.

Yours sincerely

**James Koval**

Chief Policy & Advocacy Officer | ASFA – the voice of super

## Appendix – ASFA Feedback

### **Reform 1: Enhance accountability for the conduct of lead generation activities**

ASFA supports **Option 1a** that would require lead generators to hold and AFSL. to strengthen the regulatory framework and deliver better consumer outcomes.

This reform pathway will lift standards and enhance consumer protections by requiring those engaged lead generation to comply with the additional regulatory obligations under the AFS licensing regime.

ASFA's primary concern in relation to **Option 1b** is that it goes beyond lead generation. A broad-based ban on unlicensed communications risks limiting the scope of legitimate information that supports consumer understanding. In case government proceeds with this option as an alternative to **Option 1a** ASFA considers it should be solely focussed on communications from lead generators.

### **Reform 2: Extend anti-hawking requirements**

ASFA submits that **Options 2a and 2b** would be effective in closing loopholes exploited by lead generators, for example, the ability to use weak standards of consumer consent (e.g. clicking a box on a 'compare your super' webpage) or framing an offer as being for financial advice, and not a financial product. ASFA supports banning non-consumer-initiated contact by lead generators.

Importantly, these reforms would effectively curb lead generation models reliant on 'cleansing' unsolicited, high-pressure sales through upstream referrals to advisers.

### **Reform 3: Target remuneration structures that may incentivise poor conduct**

ASFA supports **Options 3a and 3b** as important reform levers to capture lead generators in the conflicted remuneration framework and prevent compromised advice being provided to consumers.

ASFA notes that the conflicted remuneration ban under **Option 3a** could be circumvented by lead generators via the repackaging of fee models, including per-call/per-click fees and flat daily payments.

### **Reform 4: Target advertisements for earlier intervention**

ASFA welcomes moving beyond reactive enforcement in identifying and addressing harmful advertising practices. ASFA considers **Option 4a** (requiring superannuation advertisements to display AFSL numbers) as likely to be ineffective, and risks legitimising harmful advertisements.

Instead, ASFA supports expanding ASIC stop order powers as per **Option 4b**, while noting key considerations will include the design of clear criteria and appropriate thresholds for regulatory intervention.