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Senate Standing Committees on Economics

Economics Legislation Committee

Via portal: aph.gov.au/Parliamentary_Business/Committees/OnlineSubmission

Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025

The Super Members Council thanks the Economics Legislation Committee for the opportunity to make a submission to this consultation.

In summary:

SMC supports Schedules 1 and 2 of the *Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025* (the Bill).

SMC recommends

- The Government, through regulation, further strengthen this bill by including safeguards on how advertised funds are displayed, including appropriate labelling, disclosures, and directing employees to the official Government comparison tool website; and
- The legislation should commence on the same date as payday super reforms, so streamlined stapling processes and consumer protections operate from the start of the new framework.

The proposed changes in Schedules 1 and 2 will reduce needless duplicate super accounts, which will save Australians from paying multiple sets of fees and help to boost their consolidated investment returns. These important consumer protection reforms will also better safeguard Australians from conflicted sales practices on employee onboarding platforms and further strengthen the payday super reforms.

SMC acknowledges the scale of payday super and emphasises the importance of strong ATO readiness to implement these reforms to stem the scourge of unpaid super, which currently costs 3.3 million Australians around \$5.7 billion a year.

These schedules include key consumer protections that respect strong competition and choice while strengthening consumer safety by ensuring that only safe, tightly regulated, performance-tested super products can be advertised to them on software systems used to onboard new staff into payroll systems. This is a moment of acute potential consumer vulnerability, and strong safeguards are needed to protect Australians from poor performing super products.

Further measures to strengthen the bill are detailed in APPENDIX A.

The current lack of safeguards in onboarding is exposing Australians to the risk of being propelled into poor performing super products.

The onboarding process of new staff is a uniquely influential moment in which small design choices in software advertising screens and prompts can steer decisions made by Australians on their choice of super fund. Advertising is legitimate and commonplace in competitive markets such as super. But Australian consumers must be able to be confident that there are strong guardrails to protect their interests at the point of employee onboarding to ensure they are not inadvertently moved into a poorer performing super fund.

It is also crucial that there is competitive neutrality in choice in the market. Without proper safeguards, including reasonable disclosures, Australians can be pressured into making uninformed decisions, led to believe they must follow a certain choice, open a needless duplicate account and end up paying two sets of fees, and be encouraged into an underperforming, high-fee super fund that makes them poorer in retirement.



Under current laws there is evidence of conflicted advertising occurring that is not in members' best financial interests. Media outlets have reported on the serious risks of consumer harm including one employee onboarding platform encouraging employees to join an underperforming super fund with high fees that was also a related party of that onboarding platform.¹ The status quo prioritises commercial interests ahead of consumer protections and the objective of superannuation to deliver the strongest retirement incomes for Australians to live a dignified retirement. It also conflicts with the consumer protection principles that underpin the best financial interest duty and sole purpose test.

This bill will reduce needless duplicate super fees and grow Australians retirement savings faster

Stapling was [a key reform](#) implemented by the Morrison Government in 2021 in its Your Future, Your Super reforms to tackle the costly problem of Australians inadvertently opening multiple super accounts and paying duplicate fees. The concept is simple: a stapled super fund is an existing super account that is linked, or 'stapled', to an individual employee so it follows them as they change jobs. This helps to reduce fees and avoid new super accounts being opened every time someone starts a new job. Having super in just one account can also help to grow people's investment returns faster.

Since stapling laws were passed, the share of Australians with their super consolidated into one super account has risen from 74% in 2020 to 78% in 2024.² The changes proposed in this legislation further build on that strong progress towards a simpler, fairer and lower-cost super system for all Australians.

Treasury estimates a full ban on onboarding advertising could save members between \$17 million and \$117 million per year from avoiding underperforming products, plus additional savings (\$3.3 to \$56 million per year) from fees saved by having fewer duplicate accounts.³ Those losses are borne disproportionately by disengaged and lower-income workers. From a consumer-protection lens, that is a pressing hidden cost.

For these reasons, **the Committee should recommend additional regulations under the Bill to:**

- establish how stapled funds, employer default funds, and any advertised funds are presented to employees on onboarding platforms;
- clarify that an employee's stapled fund (where it exists), and the relevant default fund, should be displayed more prominently than any advertised products; and
- include links to independent tools such as the ATO's YourSuper comparison tool.

Ensuring that stapled and default options are given clear, higher prominence than advertised funds would reinforce the intent of the stapling and default regimes as a safety net for members.

SMC appreciates the opportunity to contribute to the Committee's consideration of this Bill and would welcome the chance to provide any further information to the Committee.

About the Super Members Council

We are a strong voice advocating for the interests of 12 million Australians with over \$1.6 trillion in retirement savings managed by profit-to-member super funds. Our purpose is to protect and advance the interests of those millions of super fund members throughout their lives, advocating on their behalf to ensure super policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policy makers across the full breadth of Parliament.

¹ AFR: [MYOB allegedly manipulating users into joining its sub-par super fund](#), 12 March 2023

² SMC, [SMC welcomes advertising reforms to protect workers in employee onboarding](#), 26 November, 2025

³ Treasury's [Impact Analysis Ban on advertising of superannuation funds during employee onboarding](#), page 2-3



APPENDIX A

Early access to stapled fund information boosts retirement savings

Schedule 1 of the Bill is a pragmatic amendment to stapling that will help boost Australians' retirement savings and support the implementation of payday super reforms. Earlier access to stapled information benefits both employers and workers. Employers can build stapled-fund checks into onboarding workflows supporting both timely SG payments under payday super and correct allocation to the existing account. This reform will reduce the number of unintended duplicate super accounts by making it easier for employees to bring their chosen stapled fund across to their new job.

Fewer unintended duplicate accounts will mean fewer sets of administration fees and insurance premiums (where applicable) that can erode people's retirement savings over time. Stapling also increases the amount of money compounding in a single account, instead of spreading contributions and fees across multiple small balances. We know that, over decades, even small positive differences in net contributions and fees can compound into significantly higher retirement savings.

Uplifting ATO processes

To support the effective implementation of the Bill, the ATO should be appropriately resourced to uplift its systems and processes for identifying and returning stapled fund information. Feedback received by SMC indicates that the ATO portal may experience challenges in processing stapled fund requests at scale. Ensuring the ATO's technology infrastructure is fit for purpose is critical to maintaining confidence in the operation of the stapling regime and the broader objective of supporting genuine member choice in super.

Further ways to increase consumer protections under the Bill

SMC supports Schedule 2 because it reduces the risk of harm from superannuation advertising during employee onboarding. The Bill takes a balanced approach. It does not ban onboarding advertising altogether but limits it to MySuper products that have passed APRA's performance test and have conflict-of-interest safeguards. This enables competition and product choice, while protecting consumers at a high-risk decision point where poor choices can have lasting long-term consequences.

From a consumer protection point of view, there is a risk that the Bill does not go far enough to control how super ads are shown during employee onboarding, nor to protect consumers from the risks of duplicate accounts and fees, and decisions that make them poorer in retirement. SMC believes stronger protections are needed, supported by clear and binding rules about how super funds are presented to employees when they are signing up. These rules should make it easier for workers to understand their options and harder for advertising to push them into unsuitable or unnecessary choices that risk making them poorer.

The onboarding process is a critical moment for super decision-making. Members need sufficient and relevant information to make an informed choice of fund without feeling overwhelmed by volume or presentation. In SMC's view, the framework must strike a careful balance: employees should clearly see their current stapled fund and the employer's default fund, along with concise comparable information about any permitted advertised MySuper products.

At a minimum, SMC advocates that the regulations should incorporate:

- **Prominence hierarchy:** Require the employee's stapled fund (where one exists) and the employer default fund to be displayed more prominently (first in the list, default selection, larger font/tiles) than any advertised products, with clear labelling such as "Your existing super fund" and "Your employer's default fund."

The supporting regulations could also consider the following factors to help members make informed decisions without overwhelming them:



- **Balanced information requirements:** Require that where advertised products appear, comparable key information for stapled/default options is also visible, so disengaged members are not effectively choosing based on branding alone. Comparable key information may include items such as net returns over the past decade and whether an account offers insurance.
- **Restrictions on dark patterns⁴:** Prohibit design features that nudge employees towards advertised funds, such as pre-ticked boxes for advertised products, hiding stapled/default options in secondary menus, countdown timers, or misleading progress bars tied to choosing an advertised fund.
- **Fee transparency:** Require disclosure of the fee arrangement that is in place between the fund and the onboarding platform. For example, if the platform provider receives a fee from the advertised fund if the employee signs up to the fund or clicks on the fund.
- **Comparison tools:** Require onboarding screens to include clear links to independent comparison tools such as the ATO YourSuper comparison tool, with a brief explainer that employees can use these tools to compare investment performance and fees before making a choice.

These additional guardrails would ensure that the limited advertising permitted under Schedule 2 operates within a genuinely member-first choice architecture, reinforcing the objectives of stapling and the default regime and safeguarding consumers from any onboarding practices that could steer them into poorer performing, more expensive products or paying duplicate fees on multiple super accounts.

⁴ The prevalence of dark patterns in onboarding advertising in super was discussed in Treasury's [Impact Analysis Ban on advertising of superannuation funds during employee onboarding](#), July 2024