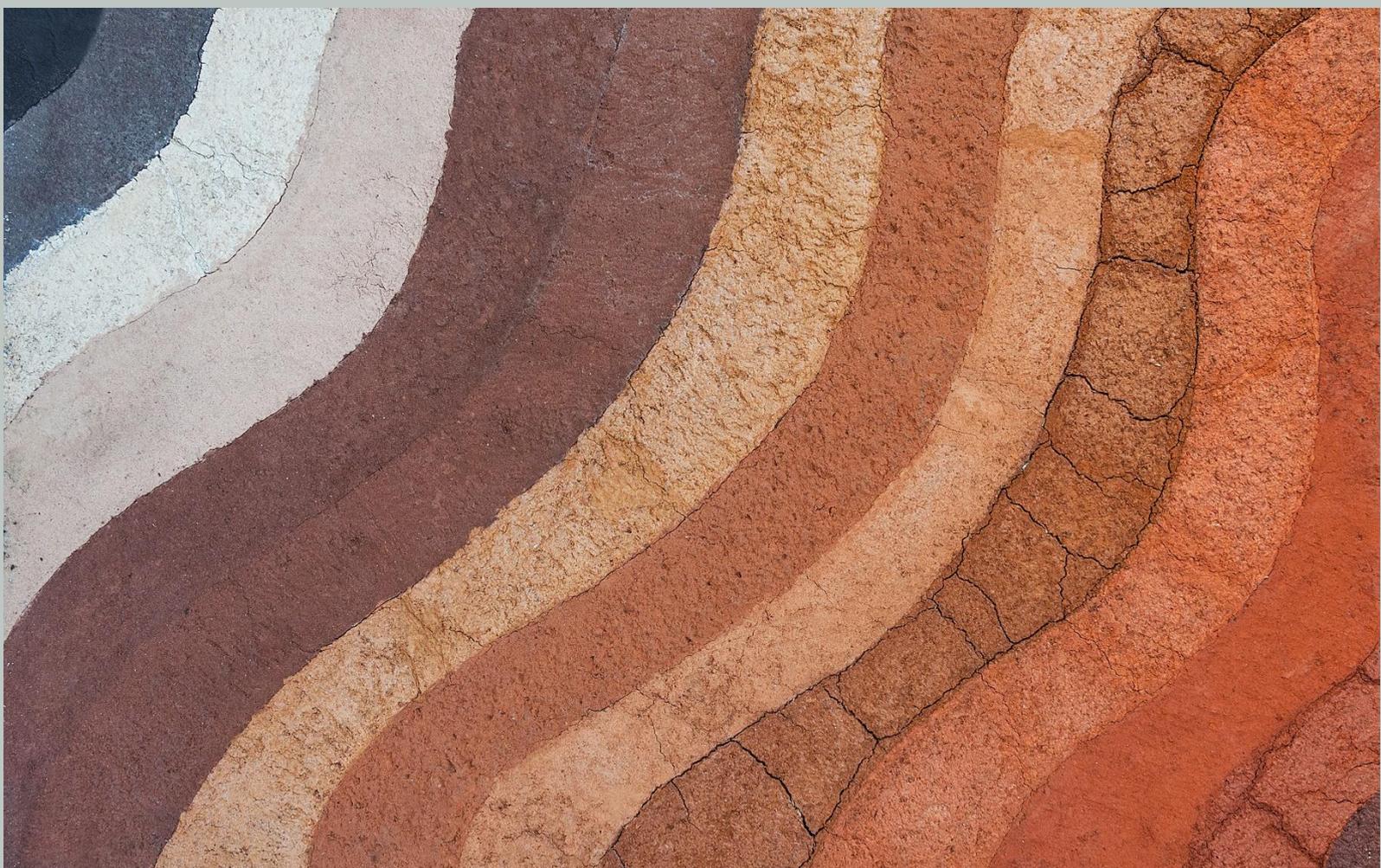




SUPER  
MEMBERS  
COUNCIL

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# A fair retirement: Removing barriers in super for First Nations peoples





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### **About the Super Members Council (SMC)**

We are a strong voice advocating for the interests of 12 million Australians with over \$1.6 trillion in retirement savings in profit-to-member super. 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 policymakers across the full breadth of Parliament.

## A message from the First Nations Foundation



*First Nations Foundation (FNF) is grateful to have a prominent role in advocating for the rights of Mob in the retirement income system.*

*Our flagship Financial Wellness Outreach community initiative – which began as Big Super Day Out in 2016 – has been a beacon of light for First Nations people who have, for far too long, felt unseen and unheard in the financial services sector.*

*The outreach program is rooted in fairness, equality, and accountability, but it is also about bringing likeminded organisations and major institutions together to unite under a common cause. It has been incredibly heartening to see how the superannuation industry has embraced FNF's programs and continued to front up, year after year, to meet Mob on the ground, in community, and simply sit and listen.*

*We don't ask for much, but you can never underestimate the power of having a yarn with your members.*

*These events coordinate the super sector, banks, utilities providers, regulators, and government agencies, consistently travelling into regional and remote communities that often lack access to essential services.*

*To date, the Foundation has helped reconnect Mob with over \$28 million in superannuation. In 2024 alone, we helped reconnect communities with \$1.9 million in super and \$71,000 in unclaimed tax refunds and offsets, across East Arnhem Land, the Gulf, Palm Island, and Townsville.*

*As a small not-for-profit Indigenous-led organisation, our voice and impact are strengthened greatly when we have allies inside financial institutions who are committed to improving service delivery standards, and making a lasting impact on the lives and livelihoods of First Nations communities.*

*This work and the ongoing efforts of the Indigenous Super Working Group are critical to realising the intergenerational wealth uplift that we can all aspire to and – more importantly – we all know is possible.*

*I commend the Super Members Council for investing in tangible research to ensure that funds can make evidence-based decisions and design a system that works with First Nations members.*

*This paper is another milestone in our trusted partnership, and I would encourage you to reflect on how its findings can inform real, meaningful change inside your organisation.*

*Mandaang guwu*

Leah Bennett MAICD  
Wiradjuri and Ngayampaa woman  
Chief Executive Officer, First Nations Foundation

# Executive summary

Aboriginal and Torres Strait Islander people rightly expect a super system grounded in cultural safety—one that actively respects, honours, and safeguards every person's economic wellbeing.

Yet the super system in Australia was not designed with the unique experiences and needs of many First Nations people front of mind. Originally envisaged around the needs of white, male, full-time workers, super data from across the country still reveals an ongoing financial toll of historical employment discrimination, and socio-economic barriers still faced by many Aboriginal and Torres Strait Islander people today. Across the super system, rigid identity verification requirements, challenges in accessing customer services, and gaps in cultural safety can make it harder for First Nations peoples to truly experience the full benefits of super in its purpose to deliver a transformative uplift in retirement incomes to millions of everyday Australians who would otherwise have to survive on a very modest income from the Age Pension alone.

Across the continent, First Nations people today still earn up to 30% less<sup>1</sup> than non-Indigenous people and experience higher rates of insecure work and lower rates of full-time work. This leads to lower super contributions and having less money in super over the course of people's working lives.

The legacy of past policies and practices including stolen wages shapes this picture of ongoing financial inequity. And super laws in Australia define legal dependents tightly, typically including spouses, children, and those in recognised interdependency relationships. This legal framework does not neatly accommodate the broader, culturally significant, often economically interdependent kinship systems of First Nations peoples. Indigenous family structures often extend beyond the legal definitions of spouse and children to include extended family and community members who play crucial roles in mutual caregiving and financial support. As a result, many culturally important family members are excluded from death benefit nominations, limiting First Nations peoples' ability to rely on super benefits in a way that reflects traditional kinship ties.

Today, First Nations people make up about 3.8%<sup>2</sup> of Australia's population and around 85% of Aboriginal and Torres Strait Islander people live in major cities and inner and outer regional areas. Many are typically wage-earners in their 30s or 40s, who manage tax responsibilities, support families, and face common cost-of-living challenges. While there remain many unique hardships faced by remote communities, it is also crucial to understand the complex needs of First Nations people in many urban, suburban, and inner regional populations. This is key to ensure comprehensive support, policies and financial literacy education reflect the everyday experiences of all First Nations people.

For the one in six First Nations people who live in remote or very remote areas, geographic isolation intensifies the unique challenges people face in engaging with the super system—barriers that are far less common elsewhere in Australia. These challenges mean that a portion of the community requires specific targeted support to ensure fairness and equity in super.

## **Making super fairer for First Nations people**

In May 2025, SMC began a structured project to identify good practices, challenges, and opportunities to help create more inclusive service standards and practices that strongly support Aboriginal and Torres Strait Islander members to engage with super funds. The report is the result of a two-phase qualitative research project by SMC with a detailed survey and in-depth interviews with member funds representing approximately 7.5 million Australians. This research assembles a snapshot of current support systems and the service challenges experienced by First Nations members. Qualitative insights were gleaned on barriers to super fund services, cultural sensitivity in communication, urgent and interim payment practices, and claim processes during bereavement or financial hardship.

This report shares examples of good practices by super funds to meet the needs of Aboriginal and Torres Strait Islander people and makes recommendations for further improvements to deliver an even fairer experience of the superannuation system for First Nations members. How super funds better service First Nations members will vary according to the characteristics of a fund's members but should always be prioritised according to the impact on and occurrence among members. Super funds that already do it well offer meaningful options for all First Nations peoples, while recognising the significant challenges posed by remoteness, limited financial literacy, language diversity, and cultural differences.

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<sup>1</sup> University of Queensland, [Closing the superannuation gap for Indigenous Australians](#), 8 September 2025

<sup>2</sup> According to the most recent Australian Bureau of Statistics (ABS) data from 2021, <https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/estimates-aboriginal-and-torres-strait-islander-australians/latest-release>

Some of the best practices today apply a tailored approach and use skilled and culturally competent staff. Trustees can also address issues by signalling their own strong personal and institutional leadership commitment to this work, being proactive, continuously learning, overseeing strong accountability, and having strong cultural capability to ensure the super system consistently supports First Nations members respectfully and effectively.

And while some super funds are doing good work, there remain gaps. The challenges highlighted by recent regulatory reports shine a light on issues that have not yet been resolved despite examples of progress and successes. To truly serve all members fairly – especially First Nations people – the super system as a whole must enhance cultural safety, service standards, and operational responsiveness.

Legislative and regulatory changes also have a role to play and can better support success. Legislative reform is needed to explicitly recognise First Nations kinship structures within super, particularly through amendments to the SIS Act and the Income Tax Assessment Act 1977. Clear legal definitions and flexible nomination options would also give trustees consistent legal guidelines to manage claims sensitively and efficiently.

Regulatory guidance can give greater clarity, consistency, and a benchmark for funds to measure their own practices and progress. While risk-based decision-making promotes flexibility and proportionality, regulatory input remains important in setting minimum expectations and ensuring alignment across the system. Clear guidance from APRA and ASIC can strengthen internal frameworks by detailing what “good practice” looks like, reducing uncertainty, and giving trustee boards greater confidence that their approach will meet the expectations in regulatory scrutiny.

## Key findings and recommendations

This report highlights the following as reflecting better practice service experiences and standards in super when assisting First Nations members:

- Leadership and executive-level buy-in and commitment are vital to embed culturally safe and flexible service approaches. SMC’s Trustee Director Course can further support this leadership task.
- Funds adopting risk-based frameworks and empowering frontline staff to exercise discretion show better outcomes in death benefits and hardship claims.
- Cultural capability training for all staff, including boards and executives, significantly improves member service experience.
- Rigid ID requirements, limited self-identification processes, and legal structures that do not recognise Indigenous kinship systems, remain significant barriers.
- Community engagement, including outreach and partnerships with First Nations organisations, fosters trust and enhances member support.
- Collaborative, sector-wide efforts and consistent data governance are critical for sustained reform.

### Recommended reforms

- Explicit recognition of First Nations kinship structures in super law (legislative amendment).
- Enable Indigenous Australians to nominate super beneficiaries consistent with a person’s cultural kinship and social structures.
- Sector-specific guidance on non-standard forms of identification for consistent, culturally sensitive risk-based assessment across super funds.
- Greater regulatory guidance from APRA and ASIC to set minimum expectations on cultural safety and service standards while allowing flexible, risk-based decision-making.
- Support for Indigenous self-identification aligned with Indigenous data governance principles, including voluntary, respectful, culturally safe frameworks for collecting Indigenous status.

# Introduction

## First Nations peoples and the super system

No Australian should miss out on the support and benefits of the retirement system. Yet, a complex interplay of past injustices, ongoing socio-economic disadvantages, and an inflexible super system rooted in non-Indigenous norms, still feed into the disadvantage faced by many First Nations peoples. Aboriginal and Torres Strait Islander peoples have experienced historical injustices, including discriminatory employment practices. This legacy is still felt in lower lifetime super balances today.

The percentage of Australian workers covered by the nation's super system has risen from 85% in 2002 to 92% in 2022. However, First Nations super coverage lagged, rising from 70% to 78% in the same timeframe. Median super balances for non-Indigenous Australians and Culturally and Linguistically Diverse populations grew substantially to around \$70,000 and \$65,000 by 2022 respectively. First Nations median balances were significantly lower, reaching only about \$28,000 by 2022.<sup>3</sup>

The diversity of Indigenous languages and cultural practices, especially in remote areas, creates barriers to understanding and engaging with a super system built around standard English documentation and bureaucratic processes. Many First Nations peoples face difficulties with rigid identification requirements due to cultural naming practices and lack of traditional identity documents like birth certificates. These barriers can prevent timely receipt of super on retirement, or in cases of extreme financial hardship, or inheriting a family member's death benefits. Gaps in culturally safe customer service, reliance on digital-only processes, and communication challenges can further hinder engagement with the system.

## Previous studies on First Nations service standards in super

The purpose of Australia's super system is to ensure every working person, regardless of income or employment type, accumulates retirement savings over their working lives. Super now gives millions of everyday Australians much greater financial security and a much higher standard of living in retirement, yet many First Nations peoples not fully able to enjoy the same benefits due to barriers in the system.

In 2025, both Super Consumers Australia (SCA) and the Australian Securities Investment Commission (ASIC) issued reports identifying ways in which Australia's super system struggles to deliver equitable services to First Nations members, particularly those in vulnerable circumstances.

ASIC's Report 806: *Taking ownership of death benefits: How trustees can deliver outcomes Australians deserve*, reviewed death benefit claims handling by 10 super trustees. The report identified serious deficiencies such as excessive delays, poor customer service, inadequate data monitoring, and ineffective claims procedures. The report made 34 recommendations urging trustees to improve governance, better understand claims handling metrics, and adopt compassionate and efficient processes for First Nations members. The report stressed that leadership and data management gaps adversely affect members and called for industry-wide improvements to serve all Australians fairly.

The report *Building Futures not Barriers: Super That Works*, authored by Mob Strong Debt Help and SCA, focussed specifically on barriers faced by First Nations peoples in accessing super in times of hardship or following a death, highlighting barriers arising from colonisation, racial marginalisation, and inflexible policies. Key issues identified in that report include:

- Rigid identity verification rules that exclude many First Nations members who lack standard IDs or have mismatched records due to cultural practices.
- Culturally unsafe customer service leading to disengagement and abandonment of super rights.
- Complex and prolonged death benefit claim processes disproportionately affecting First Nations members.
- Lack of accountability and culturally appropriate regulatory frameworks.

Both reports highlighted deficiencies in servicing First Nations members. The findings reinforce the urgency for strong uplift in culturally capable leadership, service and responsiveness.

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<sup>3</sup> **Source:** HILDA Survey, every four years between Waves 2 and 22.

**Notes:** First Nations series represents Aboriginals and Torres Strait Islanders. CALD series represents those born in a country where English is not a main language. Each series includes only those aged 20 to 64 who have not yet retired from paid work.

Working closely with our partners at the First Nations Foundation, SMC stands alongside SCA and ASIC in a shared determination to improve the experiences of First Nations peoples in being paid their super, supporting financial empowerment, and fostering deeper reconciliation through transparency and evidence-based engagement.

That is why SMC undertook its own complementary study to identify and share what funds are genuinely doing well and how systems and practices are evolving post ASIC's Report 806 to better serve First Nations members. These conversations spotlight progress, identify better practices in the sector, and share insights to speed uplift across the system.

## Background and context of this report

In May 2025, the SMC launched a multi-step process to identify better practices, challenges, opportunities in how Aboriginal and Torres Strait Islander members experience services when engaging with super funds. The project was conducted in two stages:

First, SMC member funds completed a survey, providing data on their support mechanisms and the service challenges faced by First Nations members. The initiative was undertaken in partnership with First Nations Foundation, Mob Strong Debt Help, and Super Consumers Australia (SCA), ensuring the approach was grounded in lived First Nations' experiences.

Second, based on the initial survey findings, one-on-one interviews were designed to draw out the qualitative insights with six SMC member funds representing approximately 7.5 million Australians.

Questions were distributed in advance to allow for thorough preparation, and discussions were adapted based on responses and context. Areas discussed included:

- General barriers to super fund services, urgent and interim payment practices, and cultural sensitivity in communication.
- Claim processes, documentation requirements, exemption practices and support for First Nations members during bereavement and hardship.
- Cultural competency training, support through complex claims, and incorporation of First Nations feedback into process improvements.

A discussion-based methodology was used to encourage deep exploration of complex and sensitive issues that may not emerge through surveys alone. The six funds were selected to capture a broad spectrum of experiences and service approaches relevant to First Nations members.

The interviews focussed on death benefits claims processes, financial hardship, and service issues specifically as experienced by First Nations members. Interviews also explored barriers to services such as documentation requirements, access to urgent payments for funerals, communication practices, cultural sensitivity, sorry business, and further avenues for sector level and regulatory reform. Super funds were encouraged to provide culturally relevant examples, case studies, and discussed both general and claim-specific challenges faced by First Nations members.

## Key findings

### The importance of executive level buy-in

Across the interviewed funds, it was consistently observed that there was strong executive level buy-in to improve services to First Nations members. Such leadership commitment is essential, ensuring that initiatives to enhance cultural safety, accessibility, and responsiveness are prioritised and adequately resourced throughout the organisation. Executives either at the board or CEO level, provided the strategic vision and organisational authority necessary to embed First Nations service standards into core policies, operations, and staff training, driving systemic change at an organisational level.

Five critical initiatives that were supported by executives across the interviewed super funds include:

- A commitment to community outreach and engagement, with specialist teams proactively creating networks in First Nations communities.
- Adopting a flexible risk-based approach to non-standard identification (ID), empowering staff to make discretionary decisions regarding acceptance of non-standard ID, using a risk-based approach aligned with regulatory guidance while maintaining cultural sensitivity.
- Applying the recommendations from ASIC's Report 806 and facilitating easier and more

- streamlined death benefits claim handling, reducing rigidity in process and expediting payments.
- Adopting member-friendly hardship claims processes and eliminating unnecessary documentation.
- Prioritising mandatory cultural safety training for staff aiming to embed cultural competence throughout the organisation and improve member experience.

## Community engagement and outreach practices

Funds interviewed consistently undertook proactive community outreach or forged partnerships with local community groups and First Nations organisations.

**Participating in on-the-ground fund agnostic outreach:** Two funds advised that participating in outreach had enabled a better understanding of community issues. It allowed super funds to engage directly with First Nations people in local contexts, where cultural norms, communication styles, and lived realities are best understood. Funds advised that there was greater executive buy-in to outreach when senior executives attended and witnessed the work firsthand. By adopting a fund agnostic approach, such outreach programs enabled super funds to ensure that First Nations peoples living in remote communities can receive assistance with their super, irrespective of which fund they are with. Face-to-face interaction fostered trust and rapport, which are essential given historical and ongoing distrust of mainstream institutions by Indigenous communities. Through networks such as First Nations Foundation (FNF), super funds who attend outreach activities are also equipped with contacts from other super funds to help connect people in community with the right people in other funds. This on-the-ground presence helps overcome communication gaps caused by remoteness, digital exclusion, or language differences. Direct conversations with community provide a richer, more detailed understanding of members lived experiences and needs, enabling funds to develop flexible, empathetic, and culturally appropriate solutions to super related issues.

Not all funds will be able to participate in outreach programs due to their size and scale. In these cases, funds can still provide support to other funds who do attend outreach. This is discussed in greater detail later in this report.

**Collaborating with local community groups and leaders:** A number of funds interviewed helped resolve issues such as death benefit claims using local knowledge to verify family connections when official documents were lacking or non-standard ID was involved. Culturally grounded community engagement helps to address barriers of mistrust, unfamiliarity, and administrative complexity that can hinder First Nations members from receiving their super benefits.

**Partnering with First Nations organisations:** All funds interviewed partnered in some way with a First Nations-led organisation to facilitate cultural training and support. By building trusted relationships and delivering information in culturally safe ways, funds improve member confidence, support timely claims processing, and contribute to the broader goal of financial empowerment and reconciliation.

**Employing First Nations staff or trusted cultural advisors:** Several funds advised that they employed First Nations staff with crucial cultural insight, strengthening connections with Indigenous communities, and enhancing cultural competence in the workplace.

## Innovation post ASIC Report 806: Taking ownership of death benefits

One super fund had significantly innovated following ASIC report 806 by adopting practical measures to improve services for all members. This entailed:

- reevaluating risk tolerance of the fund overall and for all claims processes
- adjusting the claims process to make it as accessible as possible for all members
- assessing what documentation was critical to support a claim and only asking for what was necessary
- assessing claims on a case-by-case basis, adopting a risk-based approach that considered all factors such as complexity and size of the claim.

Making these changes resulted in more inclusive, accessible processes for both death benefit and hardship claims that acknowledge cultural and situational nuances.

Other funds interviewed welcomed ASIC's report as the regulatory business case to support better practice service standards for First Nations members, further underpinning the work they were undertaking. Report 806 provided a level of regulatory endorsement and a clear industry signal that

embedding cultural competency, discretion, and tailored approaches within super is a sound business and compliance imperative. The combination of regulated standards plus room for proactive, culturally informed innovation, fosters a more inclusive and flexible super system that better meets the needs of First Nations members while managing risk responsibly. It encourages leadership buy-in and ongoing improvement, rather than just compliance-driven actions.

## Non-standard identification and cultural considerations

All super funds interviewed adopted AUSTRAC's Guidance 'Assisting customers who don't have standard forms of identification' (the AUSTRAC Guidance). These funds recognise the importance of the AUSTRAC Guidance in facilitating access to super for members facing barriers to providing traditional ID. However, each fund has applied the guidance somewhat differently, tailoring it to their specific risk appetites, and operational frameworks. While all use a risk-based approach as recommended by AUSTRAC, some funds have implemented internal escalation processes for verifying non-standard ID, and others have empowered frontline staff to make discretionary decisions.

Super funds also differ in what alternative identity documents they will and won't accept (such as expired documents) and have varying degrees of success when using third-party platforms to verify a person's identity.

SMC acknowledges the important work of the Indigenous Superannuation Working Group (ISWG) to create sector-specific guidance to eliminate inconsistencies in applying alternative forms of non-standard ID. This is further outlined later in this report.

## Removing barriers in process handling

All interviewed super funds have empowered staff to make discretion-based decisions, assessing risk on a case-by-case basis. This approach allows these super funds to expedite death benefit and hardship payments. The risk-based model balances the need for fraud prevention with greater cultural safety and responsiveness, supported by staff training. Better practice in overall member accessibility sees super funds moving away from relying heavily on paper forms and increasingly obtaining member details over the phone.

This shift is driven by the goal of improving member engagement and reducing the administrative burden and delays associated with paper-based processes. By using telephone conversations, funds can gather necessary information more efficiently, provide a personalised service experience, and address members' queries in real time, which is particularly important for vulnerable groups who may find written forms challenging. Telephone services also enable greater accessibility for those people who live in remote areas, have limited access to digital platforms or have low digital literacy.

## Staff empowerment and specialist roles

While super funds may adopt varying approaches to the operation of frontline staff, all funds interviewed empowered staff to be decision-makers, enabling timely and context-sensitive responses to members' needs. Empowered staff exercise discretion and make informed judgments supported by strong operational processes, improving service delivery. Super funds reported accountability within the organisation, as staff feel valued and capable of contributing meaningfully to positive experiences. Some funds choose specialist roles and teams to support their First Nations members, while others ensure that frontline staff are equipped to provide all services, with appropriate and expedient escalation if necessary. Empowered staff can accept alternative evidence, waive certain standard requirements when justified by cultural or practical circumstances, and tailor communication guided by cultural understanding—all of which reduce barriers and improve member services. Ultimately, having empowered decision-makers supports the fund's ability to be responsive, adaptive, and member-centric, driving better financial and social outcomes for Indigenous members and the broader membership base.

## Sorry Business and death benefit claims

Sorry Business is a deeply significant cultural practice among First Nations peoples that affects how families grieve and manage affairs after a person's death. Sorry Business is not about vulnerability; it is a cultural obligation and significant practice that applies to First Nations peoples. Examples of Sorry Business include extended ceremonies held around bereavement and funerals, community gatherings

to share grief and support one another, rituals to honour the deceased, and obligations to attend these culturally significant events. These practices can last days, weeks, or even months and involve the collective participation of family and community, reflecting deep kinship ties and cultural obligations. During Sorry Business, individuals may observe customs like not naming the deceased or burning identification documents. All these factors may impact how a beneficiary interacts with a super fund during a death benefit claim process.

All the interviewed super funds incorporated the recognition of Sorry Business into the death benefits claims process in varying ways. This included:

- Asking whether the beneficiary would prefer to not name the deceased.
- Adopting empathy, understanding, and a flexible risk-based approach to documentation.
- Training staff to be aware that Sorry Business may impact the length of time taken to resolve the process and to be mindful of appropriate contact.
- Placing notifications on the system when Sorry Business will impact the claims process and for what duration.

Having a formal process to recognise and respond to these cultural practices ensures that a super fund handles claims with respect, empathy, and understanding, reducing stress for members during difficult times. Cultural sensitivity is separate from vulnerability as it relates specifically to respecting and accommodating cultural beliefs and traditions. Not all First Nations peoples will be in a vulnerable situation.

Recognising cultural sensitivity independently ensures that super funds create tailored, culturally safe approaches that honour First Nations members' identities and customs.

## Training and capability building

All funds interviewed provide their frontline staff with cultural awareness training to ensure that employees understand the unique cultural, social, and historical contexts of First Nations peoples. This training is crucial because it equips staff with the skills to engage respectfully and effectively with Aboriginal and Torres Strait Islander members, acknowledging people's identities and practices such as Sorry Business. Cultural sensitivity training fosters an environment where staff can better support members through tailored communication and service, reducing the risk of misunderstandings or distress. It emphasises respect for cultural protocols, which is essential for building trust and improving services for Indigenous clients, enhancing equity and inclusion across the sector.

One fund provided training to all staff from board level down. This highlights better practice to ensure a unified, respectful approach to supporting First Nations members throughout every touchpoint within the fund. Additionally, it builds a culturally competent organisation that supports inclusive policies, reduces inadvertent cultural insensitivity, and promotes trust for Indigenous members. Training all staff across a super fund creates a culturally safe and respectful workplace environment that benefits both employees and members. When everyone in the organisation—from frontline staff to leadership—understands and respects the cultural backgrounds and unique challenges faced by First Nations peoples, it enhances the consistency and quality of service delivery.

## Supporting the work of financial counsellors

All super funds interviewed understood the important work of financial counsellors and offered escalation points to assist with complex cases. Two super funds were exploring partnerships with financial counselling organisations to collaborate on super specific issues. These partnerships aimed to enhance the ability of financial counsellors to support their clients in navigating the super system, ultimately promoting better experiences for their clients.

## Informal networking and information sharing

During the interview process, super funds discussed how their specialist teams regularly convene in informal meetings to share ideas, better practices, and valuable contacts related to First Nations communities. These gatherings foster a collaborative environment where specialists can exchange insights, address common challenges, and develop culturally informed strategies to improve engagement and experiences for Indigenous members. Through this ongoing dialogue, super funds build a supportive network that accelerates collective progress. This peer-to-peer approach enhances knowledge sharing and strengthens the overall impact of initiatives within the sector.

## Postcode data to identify First Nations members

All super funds interviewed either used postcode-level data or were in the process of adopting postcode level data as a preliminary method to identify their First Nations members. By analysing members' postcodes, especially those in areas with significantly higher proportions of First Nations peoples, super funds estimate the likelihood that certain members are Indigenous. This allows super funds to tailor service delivery by flagging accounts with indicators, prompting staff to consider additional support needs.

Some funds have used this data to develop targeted support services, enhance cultural competency training for staff, and commit to improving processes for recording members who self-identify as Aboriginal and/or Torres Strait Islander. Although there are limitations with this methodology, postcode data helps funds gain insights into the service experiences of First Nations members and prioritise resources for those living in areas with high Indigenous populations.

## Simple English guides

A simple English guide is a document written in clear, straightforward language that is easy to read and understand, often designed to be accessible for people with lower literacy levels or for those who speak English as a second language. These guides use plain words, short sentences, and often include pictures or illustrations to help explain concepts or processes.

One super fund has adopted the use of simple English guide to explain the super system in a fund agnostic way. The simple English guide helps ensure important information about things like superannuation benefits is communicated effectively and inclusively. SMC notes that the ISWG is creating further simple English guides to be used across the super sector.

## Support services and financial hardship

While all interviewed super funds had information on their website regarding early access to super, including financial hardship claims, those who reflected better practice also included on their website links to other support services. Early super access is governed by tightly defined rules, meaning people must meet specific criteria (such as receiving government income support for a minimum period and being unable to meet living expenses) before their application is approved. Many individuals in distress may not fall within these definitions but still face genuine financial hardship.

Without clear direction to other support services, individuals who do not qualify for early release of super may feel at a loss, increasing their vulnerability and possibly worsening their financial or personal situation. Immediate signposting to government assistance, financial counselling, debt management, or emergency relief services ensures people experiencing hardship have hope and relevant avenues to pursue, even if early super release is not possible.

Providing support links demonstrates the fund's duty of care and commitment to member wellbeing, beyond their statutory obligations. It helps ensure members are aware of free or subsidised services—such as emergency relief, budgeting help, housing assistance, and mental health support—which might resolve their crisis without eroding their future retirement savings.

## Case studies and practical examples

These case studies show how cultural sensitivity, proactive outreach, and flexible processes enhance support for First Nations members and their families.

The First Nations member had been raised by an uncle. Upon the member's death, the uncle had limited information to support the death benefit claim. The uncle and the deceased member both had limited personal identification. Complications further arose due to Sorry Business practices and other issues, such as a brother of the deceased being in jail, which delayed the funeral and the issuance of the death certificate. Fund A used a risk-based approach to documentation to expedite the claims process considering all factors such as non-standard identification and methods to verify the members death other than the death certificate.

Building on this experience, Fund A is mapping the timeline of this complex claim to identify points where processes could be further streamlined, and the death benefit claims experience less onerous.

Super fund B proactively identified lost members who had passed away but were not known as deceased in their system. Super fund B used community contacts and outreach to connect the First Nations peoples to their rightful entitlements. This proactive approach reunited families with significant financial support years after the member's passing. Super fund A found 12 members who had insurance cover at their time of death, including an Indigenous father of nine killed in a one-punch attack and an Indigenous woman survived by her minor child. Super fund A tracked down the 12 Indigenous families and paid out around \$2 million in insurance claims that otherwise would have been lost.

Super fund C worked with Indigenous community organisations to resolve a death benefit claim involving complex kinship and non-standard ID issues. A member had passed away, and initial claims suggested no children existed. After engaging a community group, Super fund C confirmed the existence of biological children and a half-sibling with a differing surname and no forms of standard ID. Using a risk-based approach and cultural awareness, Super fund C paid the death benefit equitably to all identified children, navigating unique First Nations challenges effectively.

# Barriers to change

## Assisting First Nations members to self-identify

A critical barrier to better, more consistent service delivery for First Nations peoples in super lies in the stark reality that super funds remain often unaware of who their Indigenous members are, immobilised a lack of data that prevents tailored support and meaningful engagement. Such a lack of identification impedes the ability to provide culturally tailored services and timely support.

While most of the super funds interviewed use postcode level data to identify who their First Nations members might be, it is a useful but imperfect tool. To truly know who First Nations members are, it is essential to actively support and empower them to self-identify as Aboriginal and/or Torres Strait Islander, recognising that authentic identification can only come from their own voice and lived experience, not from assumptions or external data alone.

## Recognising kinship structures in death benefit claims

The recognition of kinship structures in death benefit payments is limited by the legal definitions embedded in super law, which primarily focus on biological and legal relationships such as spouses, children, and dependants as defined under the *Superannuation Industry Supervision Act 1993* (SIS Act). Kinship holds profound power in many Indigenous cultures, serving as the foundation for social organisation, identity, responsibility, and the distribution of resources and care. In Aboriginal and Torres Strait Islander societies, kinship extends beyond biological connections to include complex networks of relationships defined by shared ancestry, cultural roles, and reciprocal obligations that govern community cohesion and support. This system dictates who is considered family, who has responsibilities to whom, and how resources—such as care, inheritance, and support—should be rightly shared.

In contrast, superannuation law in Australia is grounded in Western legal concepts of family that prioritise nuclear and legal family structures, such as spouses, children, and financially dependent individuals, as defined by statute. This narrow framework limits the recognition of Indigenous kinship networks within death benefit distributions. As a result, the broader, culturally significant family ties and obligations central to Indigenous life are frequently excluded, leading to results that do not adequately reflect Indigenous social realities or support community cohesion in line with kinship obligations. This disjunction underscores the limitations of outdated Western notions of family in super and the need for reforms to incorporate more culturally inclusive understandings of family.

As a result, despite trustee discretion, super funds face constraints in fully acknowledging or distributing death benefits in accordance with extended kinship systems, potentially leading to consequences that do not align with Indigenous community norms or expectations. This gap highlights the need for policy reforms and greater cultural competency to bridge the divide between legal frameworks and Indigenous definitions of family.

## Risk management and regulatory considerations

Risk-based decision-making frameworks (i.e. that prioritise issues by their impact and occurrence) can offer clear benefits by allowing trustees to concentrate resources and oversight on the most material issues to fund performance, governance, and member services. By systematically identifying, assessing, and prioritising risks, these frameworks support more consistent and evidence-based decision-making. Ultimately, when applied effectively, risk-based approaches can help ensure that member interests remain central to strategic and operational planning.

Simultaneously, there are notable drawbacks with risk-based frameworks. Heavy reliance on structured risk assessments can sometimes lead to high risk-averse behaviours, where qualitative considerations such as culture, member vulnerability, or long-term reputation receive less weight because they are harder to quantify. Complex frameworks can also become resource-intensive, absorbing trustee and executive attention in process rather than results and creating blind spots if emerging or atypical risks do not fit neatly into existing categories. Finally, a rigid application may limit flexibility, discouraging professional judgment and adaptive responses when risks evolve more quickly than the framework itself.

SMC observed that when super funds take a balanced approach to risk that thoughtfully incorporates

First Nations considerations, it leads to the better experiences for both members and the fund, while maintaining low levels of risk. By recognising and addressing the unique cultural, logistical, and historical barriers faced by First Nations members—such as differing identification processes, the impact of Sorry Business, and challenges with digital access—funds can provide fairer, more accessible, and culturally appropriate services.

This tailored approach builds trust, improves member engagement, and ensures equitable access to super benefits, while managing operational, compliance, and fraud risks through careful policies and oversight.

### Best efforts of specialist team members

Relying heavily on the best efforts of specialist individuals for innovation, without embedding practices more broadly within an organisation, can lead to significant drawbacks. This approach creates a dependency on a limited number of key personnel, which increases operational vulnerability if those individuals leave or are unavailable. It can also result in inconsistent application of innovative practices across the organisation, limiting scalability and sustainability. The lack of widespread adoption inhibits the development of a shared culture of innovation, reducing opportunities for continuous improvement and collective problem-solving.

### Third-party providers

While many super funds use outsourced partners to deliver services, trustees remain ultimately accountable for those services. Trustees should actively collaborate with their partners to ensure that capability, cultural understanding, and empowerment on First Nations servicing issues are deeply embedded both within outsourced and trustee teams. Trustees should explicitly include cultural competence standards in contracts and service agreements with outsourced partners. These should detail expectations around cultural understanding, training, respectful engagement, and responsiveness to First Nations members' needs. Trustees should establish governance mechanisms to monitor partner performance on cultural competence. Regular reporting, feedback loops, and performance reviews strengthen accountability.

### Other barriers to better practice

Other significant barriers drawn out in both ASIC's and SCA reports include rigid identification requirements, low financial, digital and language literacy, and impeded access to services particularly in remote communities. As more financial institutions move towards digital first servicing platforms, people in remote locations may face significant challenges due to limited or unreliable internet access, higher data costs and poor mobile coverage. This digital divide restricts their ability to access essential financial services online. Culturally insensitive processes, requesting unnecessary and not easily obtainable documentation and inadequate staff training can contribute to inconsistent and inequitable service, exacerbating disengagement from the super system.

As demonstrated by the super funds that have participated in these interviews, super fund trustees possess the power to drive meaningful and lasting change across all these issues. It demands deliberate and sustained action to dismantle barriers, build cultural competency, and create inclusive, accessible pathways that empower First Nations members to fully engage with and benefit from their super.

# Reform from within the super sector

## Sharing good practices and peer learning forums

Frank, open dialogue across the super sector is crucial to inspire the collaboration and innovation essential to conquering the industry's toughest challenges. Candid exchanges enable trustees, regulators, fund managers, and other stakeholders to identify emerging risks, regulatory gaps, and member needs early, promoting more effective and timely responses. Additionally, fearless sharing encourages the airing of diverse perspectives, which drives stronger, evidence-based policy development and better practices. Ultimately, this collective candour builds trust, enhances sector-wide resilience, and improves services to members by ensuring the super system evolves in a responsive and accountable way.

The First Nations Foundation (FNF) and the Indigenous Superannuation Working Group (ISWG) play vital roles in improving experiences in super for Aboriginal and Torres Strait Islander members through collaborative cross-sector efforts. The ISWG is comprised of diverse industry members including Indigenous representatives, financial counsellors, super funds representatives, insurers and administrators. The ISWG works on addressing systemic issues through initiatives such as standardising forms, enhancing cultural competence in the sector, improving financial literacy, and advocating for changes to kinship laws and Indigenous identification. The ISWG led by FNF promotes flexible, culturally informed service delivery, and sector-wide reforms aiming to ensure equitable access, engagement, and the best retirement possible for First Nations members.

Participation in sector-wide working groups, such as the ISWG, facilitates shared learning, advocacy, and the development of better practice guidance, supporting systemic improvements across the super industry. These governance arrangements collectively underpin a comprehensive and culturally competent approach to advancing equity in super for First Nations members.

Better practice guidance can:

- **Minimise risk:** Drawing on approaches that have already been validated by other super funds diminishes the risks associated with change, helping funds starting this journey to avoid common pitfalls.
- **Build momentum:** Teams can start implementing changes with a level of assurance, creating early wins that build confidence and encourage buy-in for further change.
- **Provide a structured foundation:** Better practice guidance offers clear strategies, processes, and benchmarks that simplify the initial transition and create a springboard for deeper innovation.
- **Facilitate learning:** Starting with better practice allows individuals and groups to understand what works, critically assess it in their specific context, and then adapt or extend solutions to meet unique needs as experience and confidence grow.
- **Encourage iterative improvement:** Once the foundation is established, ongoing feedback and assessment from real-world application illuminate gaps or opportunities for further change, moving beyond the baseline to more tailored and innovative solutions.

As of September 2025, the ISWG is collaborating with super funds to develop a super-specific guide on non-standard forms of identification. This guide is anticipated to be a major advancement for the sector by creating consistency in how funds assess and accept alternative identification. By providing clear, tailored guidance relevant specifically to super, the ISWG's work will support super funds in applying standardised risk-based approaches while being culturally sensitive and operationally practical. This will help reduce confusion and barriers for members, especially First Nations peoples, by ensuring a more uniform, fair, and accessible process across all funds, paving the way for improved member engagement and equity within the superannuation system.

The ISWG is also drafting a guidance note to help super funds assist members to self-identify as Aboriginal and/or Torres Strait Islander. The guidance will provide a comprehensive framework for super funds, administrators, and insurers to respectfully and securely recognise First Nations status among their members through voluntary self-identification, with a strong focus on cultural safety, privacy, and empowering Indigenous voices and communities

## What can super funds do today

Trustees can effect positive change today by:

- Ensuring all frontline staff are culturally trained as a minimum, with a view to training all staff within the organisation.
- Empowering staff to be decision-makers, to have the confidence to make difficult decisions in complex cases and for funds to provide the relevant support to facilitate this.
- Consider the unique needs of First Nations members when developing and approving fund strategy.
- Adopting industry guidance and frameworks that combine risk management with targeted, culturally informed practices, demonstrating that inclusivity and prudent risk control are not mutually exclusive but mutually reinforcing. This includes adopting AUSTRAC's Guidance for non-standard ID processes.
- Providing supporting links to the National Debt Helpline, Centrelink, financial counsellors or other community services on fund webpages related to financial hardship and early release of super.
- Collaborating in a collegiate way. If super funds are unable to undertake direct community outreach themselves, they can still play a vital role by supporting those who do through involvement in broader escalation networks. By participating in these networks and providing an escalation point that outreach participants can use, it helps ensure that issues raised on the ground are escalated appropriately and resolved expediently. This collaboration enables better coordination, resource sharing, and timely responses to challenges faced by First Nations members living in remote communities.

## Greater change: roles and governance to drive First Nations initiatives

SMC's interviews with super funds shows that to effectively drive First Nations initiatives in super requires strong executive level commitment and the establishment of dedicated Indigenous engagement or inclusion officers.

These two governance factors give cultural guidance, uphold accountability, and influence policies and practices that are responsive to the unique needs of First Nations peoples. Senior leadership positions, such as executives or board members play a pivotal role in embedding this commitment at the highest organisational levels. Furthermore, collaborative governance models that foster partnerships with First Nations organisations and other external stakeholders are essential to ensure initiatives remain community-led and contextually relevant.

The SMC Trustee Director Course includes training on First Nations-related issues in super to equip trustee directors with the knowledge necessary to understand the unique challenges faced by Aboriginal and Torres Strait Islander members. This training ensures that trustee directors are informed about historical and contemporary contexts, cultural sensitivities, and specific super barriers impacting First Nations peoples. By enhancing their understanding, trustee directors can contribute actively to positive change within their funds, driving initiatives that foster equitable access, respectful engagement, and improved retirement experiences for First Nations members. This training is a critical component in fostering a governance culture that is inclusive, culturally aware, and committed to reconciliation and systemic improvement in the super sector.

## Greater change: Enhanced identification and data governance practices

There is a clear need for consistent self-identification processes aligned with Indigenous data governance principles. Without this, super funds cannot accurately understand who their First Nations members are, measure their engagement or develop targeted services. Super funds must proactively assist members to self-identify as Aboriginal and/or Torres Strait Islander and disclose how this information will be used. Knowing Indigenous status enables super funds to tailor services, offer culturally appropriate support, and develop targeted outreach programs that improves the superannuation experience for Aboriginal and Torres Strait Islander people. Asking this question is a critical step in supporting Indigenous self-determination and economic empowerment through better engagement with super.

# Recommendations for legislative reform and regulatory guidance

## Legislative reform

Legislative reform is needed to explicitly recognise First Nations kinship structures in super, particularly through amendments to the SIS Act and the *Income Tax Assessment Act 1977*. Recognising kinship in super is important because it promotes equitable access to super benefits, respects Aboriginal and Torres Strait Islander cultural identity and social structures, and helps close longstanding gaps in financial wellbeing and retirement for First Nations peoples. Reform would empower Aboriginal and Torres Strait Islander people to nominate beneficiaries consistent with peoples lived realities, fostering a culturally safe and inclusive super system that aligns with broader social justice and self-determination goals. Clear legal definitions and flexible nomination options would also provide trustees with consistent guidelines to manage claims sensitively and efficiently. Ultimately, legislative reform to embed kinship recognition in super supports fairness, cultural respect, and improved financial security for Aboriginal and Torres Strait Islander communities.

## Regulatory guidance

Recent regulator statements and reports highlight that super funds are increasingly being called upon to do more to support First Nations members. They emphasise the urgent need for reforms to address systemic barriers and inadequate support for accessing super benefits, especially in the context of financial hardship, retirement, and death benefits. Regulator comments underscore that achieving true inclusivity requires a collaborative effort across the industry, with a focus on culturally appropriate services, standardising processes, and improving data collection to better serve and empower First Nations Australians in their super journey.

Regulatory guidance provides clarity, consistency, and a benchmark for funds to measure their own practices against. While risk-based decision-making promotes flexibility and proportionality, regulatory input remains important in setting minimum expectations and ensuring alignment across the industry. Clear guidance from APRA and ASIC can strengthen internal frameworks by clarifying what “good practice” looks like, reducing uncertainty, and giving boards greater confidence that their approach will withstand regulatory scrutiny. This balance between principles-based risk management and targeted regulatory direction helps ensure that risk frameworks are both robust and responsive.

## Conclusion

The super sector faces significant challenges in delivering equitable and culturally appropriate services to First Nations Australians. While some funds have demonstrated promising improvements through leadership commitment, community engagement, and risk-based flexible processes, deep systemic barriers persist. These barriers include inadequate identification practices, rigid governance frameworks, and a lack of consistent cultural competence across the industry. Achieving meaningful and sustainable reform requires collective industry action underpinned by genuine executive buy-in, strengthened governance, culturally safe service standards, and robust collaboration with First Nations communities and organisations.

Only through consistent, sector-wide commitment to these principles can trust be built and the super system truly deliver fair, inclusive, and empowering retirement experiences for all First Nations members. The time for action is now, to bridge the gaps and ensure everyone benefits fully from the promise of one of the world’s greatest retirement systems.