

6/02/2026

The Hon Dr Daniel Mulino MP  
Assistant Treasurer  
Minister for Financial Services  
Parliament House  
CANBERRA ACT 2600

Via email to [prebudgetsubmissions@treasury.gov.au](mailto:prebudgetsubmissions@treasury.gov.au)

Dear Minister,

## **AustralianSuper 2026-27 Pre-Budget Submission**

AustralianSuper welcomes the opportunity to provide a written submission in relation to the 2026-27 Budget.

AustralianSuper is Australia's largest superannuation fund and is run only to benefit members. AustralianSuper has over 3.6 million members and manages over \$400 billion of members' assets.

AustralianSuper's vision is to be Australia's leading superannuation fund, in the world's best system for members. Our submission therefore focuses on reforms that will enhance the retirement process and deliver better outcomes so more Australians can live well in retirement. This submission covers:

1. Legislation to allow members to make contributions to pension accounts.
2. The need to implement the Delivering Better Financial Outcomes (DBFO) reforms.
3. Creating a legal right for superannuation funds to nudge members towards better retirement outcomes (including nudging towards appropriate investment products/solutions at the point of retirement).
4. Finalising and delivering the Best Practice Principles (BPP) for superannuation retirement income solutions and progressing a fit-for-purpose retirement reporting framework.
5. Allowing members to provide certain government-held data for superannuation funds to assist members to apply for the Age Pension through an 'intra-fund' or collectively charged advice model.
6. Allowing members to identify themselves through a government-accredited digital identity.

Details of the reforms we recommend are set out in the **Attachment** to this submission. We would be pleased to provide additional information or to discuss this submission in further detail. Please do not hesitate to contact me or Richard Murphy, Senior Manager, Government Relations & Public Policy at [rmurphy@australiansuper.com](mailto:rmurphy@australiansuper.com).

Regards,



**Steve Macmillan**  
**Head of Corporate Affairs**

## Attachment: Key Issues

### 1. Legislation to allow members to make contributions to pension accounts

Australia's superannuation system is shifting from a focus on saving to the challenge of helping people turn their savings into reliable retirement income. Over the next decade, 2.5 million Australians will retire<sup>1</sup>, making it essential that the system supports confident and sustainable spending. As people live longer, work flexibly and transition gradually into retirement, the system must better reflect these real-world challenges.

The current separation between how we treat the accumulation (saving) and retirement (spending) phases of superannuation no longer reflects current patterns of employment or retirement. More than 70 per cent of Australians nearing retirement do not plan to stop working completely at 65<sup>2</sup>, yet the current system often requires them to manage two separate accounts: one for contributions and one for drawdowns. This creates unnecessary complexity, which can discourage members from accessing their super when it would benefit them.

Our research indicates that more than 20 per cent of AustralianSuper members in the Choice Income (account-based pension/retirement) product continue to work, and 20 per cent of members aged over 60 in accumulation indicate they are retired.

There are more than 130,000 members in our Choice Income product and a further 8,700 in the Transition to retirement product. Yet there are also more than 450,000 members aged over 60 years of age who hold accumulation products, including over 100,000 members over 70 years of age. Reasons why members may delay the move to a retirement account include that they may wish to go on working, to leave open the option to return to work, or to keep growing their investment. Meeting these goals in the current framework means retaining an accumulation account.

#### **A path forward – benefits and key considerations**

AustralianSuper supports considered reforms to law and regulation to better support members through the transition to retirement. There is inefficiency inherent in the requirement to retain two accounts, particularly as a member who wishes to add accumulation funds to their pension must close the pension account, consolidate their superannuation and open a new account. With an increasing number of members earning income while drawing down their retirement savings, this creates unnecessary complexity, which can serve as a barrier to members beginning to draw down. This also adds cost to the administration of accounts. Internal data shows 27 per cent of current Choice Income accounts were established by members who must close an existing pension account, transfer the balance back to accumulation, combine it with other accumulation funds and then open a new pension account. This process is very inefficient.

We believe there is a way to enable contributions and rollovers to retirement accounts while preserving existing rules governing transfer balance caps, contributions caps and minimum drawdown rates. Many of the required processes already exist in the accumulation phase and can be replicated for the retirement phase. For example, the ATO could continue to track contributions so members don't breach the Transfer Balance Cap on the amount of funds that can be brought into the retirement phase.

Under this approach minimum annual income drawdown requirements would be within the current guidance. The commencing balance and annual 1 July balance would remain the basis for determining the minimum income drawdown, and therefore administrative alignment is manageable.

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<sup>1</sup> Super Members Council. (2025). *Retirement revolution: Simpler smarter retirement*. [https://smcaustralia.com/app/uploads/2025/10/251028-SMC-Retirement-Report-2\\_Final-.pdf](https://smcaustralia.com/app/uploads/2025/10/251028-SMC-Retirement-Report-2_Final-.pdf) (pg. 1)

<sup>2</sup> Colonial First State. (2024). *The Rethinking Retirement Report 2024* <https://www.cfs.com.au/content/dam/cfs-winged/documents/about-us/media-release/the-rethinking-retirement-report.pdf> (pg. 3)

Government should also consider providing relief from minimum drawdown requirements for members with small balances who prefer not to take regular income and wish to retain these funds for emergency use.

## **2. Delivering Better Financial Outcomes (DBFO) reforms**

AustralianSuper has long supported the need for Australians to have access to quality, affordable financial advice, with appropriate consumer protections. Financial advice has significant potential to guide Australians to make the most of their retirement savings and household wealth.

Superannuation funds have a critical role in assisting members to access financial advice, either by providing advice directly, or by facilitating access to third-party financial advisers. AustralianSuper has invested in leading data and technology for contemporary digital-first guidance and advice. This will include the establishment of a Guidance Centre to provide simple advice in a digital-first manner with support from phone-based advisers. The Fund will continue to deliver new tools and calculators to support members.

The Government's *Delivering Better Financial Outcomes* proposals for advice reform are an important step in facilitating access to advice. We encourage the Government to swiftly release the remaining tranches of legislation that give effect to its roadmap for advice reform.

## **3. Creating a legal right for superannuation funds to nudge members**

A key component of the DBFO reforms is the creation of a legal right for superannuation funds to nudge members.

The next decade will see millions of Australians seeking support from their super fund as they approach and enter retirement. Most members do not need full personal advice but do need timely, targeted guidance to help them make decisions about their super, including drawdown settings, product choices and Age Pension eligibility. The current rules provide insufficient clarity as to the extent to which trustees can guide members without it being considered personal advice, which limits the trustee's ability to provide low-cost scalable support.

Unlike the accumulation phase, where members make relatively few complex decisions, transitioning into decumulation requires choices about investment settings, income needs, drawdown levels, and interactions with Age Pension entitlements. A legal right to nudge would give trustees clear authority to use member-consented data to deliver structured, evidence-based prompts that help guide members toward beneficial retirement decisions, such as adopting sustainable drawdown settings, recognising potential Age Pension eligibility, or choosing an appropriate retirement preset while preserving choice. This targeted support is especially important for members with modest balances who rely on both super and the Age Pension and often lack confidence navigating decisions about income from investments in retirement. A statutory nudge framework would enable funds to more proactively steer members toward suitable retirement solutions and products, ensuring they receive timely, practical guidance aligned with the Government's proposed Best Practice Principles for Superannuation Retirement Income Solutions. Existing rules constrain the ability of funds to provide this support in a comprehensive manner.

The ability for funds to be more proactive could reduce the risk of under-consumption driven by members' fear of running out of money and improve retirement outcomes across the system. It would ensure members have practical, timely support at key decision points, so retirement is easier to navigate. We recommend that the Government proceed with this important legislation.

#### **4. Finalising and delivering the Best Practice Principles for Superannuation Retirement Income Solutions and progressing a fit-for-purpose retirement reporting framework**

AustralianSuper made broadly supportive submissions to both the recent Treasury consultations on *Best Practice Principles for Superannuation Retirement Income Solutions* and the *Retirement Reporting Framework*.

We support the objective of the Principles, which is to improve outcomes across industry by setting clear standards for retirement income. We think that the drafting of the Principles broadly meets this objective, and we welcome their introduction.

We support:

- The emphasis on retirement income solutions as a comprehensive concept that goes beyond a narrow focus on product development.
- The recognition that delivering better retirement outcomes relies on new products, product and system features, and guidance, that are based on a comprehensive understanding of member needs.
- Considering the needs of clearly identified member cohorts when designing retirement products and how they should be applied, which we believe is key to ensuring that account-based pensions and lifetime income products are both relevant and effective.
- Treasury's intention to bring greater transparency to the retirement phase of superannuation, building on the Retirement Income Covenant (RIC) by establishing retirement reporting. In developing the Framework, we encourage Treasury to focus on ensuring its primary aim is to support improved retirement outcomes. It should reflect individual member circumstances and preferences, balancing risks to support the sustainability and stability of retirement incomes.

## 5. Allowing access to data for superannuation funds to assist members to apply for the Age Pension through an ‘intra-fund’ or collectively charged advice model

Better access to data is essential for superannuation funds to understand a member’s financial situation. A member’s assets, income, debts, marital status and home ownership directly shape their retirement needs and eligibility for the Age Pension, yet funds cannot see this unless members provide it manually, and then only while that information remains current. Without this information, funds cannot offer timely, tailored guidance that reflects a member’s real circumstances.

Secure access to relevant government-held data, permitted through the consent of the member, would address these gaps and give funds a better picture of each member’s financial position, including potential Age Pension entitlements. With accurate data, funds could provide more targeted guidance, improve the quality of nudges and help members better understand their full retirement income. Extending SuperStream-style data sharing with the ATO and Services Australia would provide a practical and secure foundation for this integration.

Greater data access would also support deeper integration between superannuation and Age Pension systems. Many eligible Australians delay applying for the Age Pension because the process is complex and eligibility is unclear. Only 44 per cent apply as soon as they qualify, and many wait months, drawing down more of their super than necessary. Research shows that 72 per cent of people would prefer their super fund to help with the application<sup>3</sup>, and many confuse opening a super pension with applying for the Age Pension. With the right data and legislative permissions, funds could help members apply on time. This would reduce missed entitlements and improve guidance. Examples of the data required and how each field can support tailored guidance are provided in *Table 1*.

In the short term, there is also significant potential to better use existing data held by funds, government agencies and other sources to build a clearer understanding of spending patterns in retirement. This insight will help inform product design and improve the delivery of retirement income solutions across the industry.

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<sup>3</sup> MUFG Retirement Solutions. (2024). *Retirement reality: Advice and the Age Pension*. Link Group. [https://www.mpms.mufg.com/media/24pljwi0/mufg\\_rs\\_advice\\_whitepaper.pdf](https://www.mpms.mufg.com/media/24pljwi0/mufg_rs_advice_whitepaper.pdf) (pg. 6).

**Table 1 Data Requests and Rationale, AustralianSuper**

<b>Data field</b>	<b>Held by</b>	<b>Benefit to member guidance</b>
“In the last 12 months, have you (and/or your partner) stopped working for any employers (including self-employment)?”	Centrelink (Income and Assets Form)	Cessation of work and engagement with Centrelink indicates a member may be receptive to receiving an income stream from their superannuation (i.e. allocated pension)
“Do you (and/or your partner) own, or are buying, or have a life interest in your home?”	Centrelink (Income and Assets Form)	Home ownership status is a key data point to enable super funds to personalise member engagement more appropriately.
“Is any part of the home property used for income-producing purposes?”	Centrelink (Income and Assets Form)	A more holistic understanding of income allows for greater personalisation and this may also identify if home equity release is of interest to the member.
“Do you (and/or your partner) have an interest in any other real estate in and/or outside Australia?”	Centrelink (Income and Assets Form)	Allows for greater personalisation and more appropriate grouping of member ‘cohorts’ which enable funds to engage in a more relevant, and therefore helpful manner.
Ownership of shares, managed funds, bonds etc	Centrelink (Income and Assets Form)	Allows for greater personalisation and more appropriate grouping of member ‘cohorts’ which enable funds to engage in a more relevant and therefore helpful manner.
Receipt of employment termination payments	Australian Tax Office	Clear indicator of cessation of employment, when combined with age, can indicate intention to retire.
Recent Capital Gains Tax event	Australian Tax Office	Suggests other sources of savings outside of superannuation, informing product choice.
Whether member has a spouse	Australian Tax Office	Allows for greater personalisation and more appropriate grouping of member ‘cohorts’ which enable funds to engage in a more relevant and therefore helpful manner.
Key personal identifiers (Name, DOB, Address, TFN, external verification).	Australian Tax Office	Assistance in verifying the identity of the member, their likely eligibility to access one or more retirement products/services and verify the legitimacy of transactions or service requests (assisting with financial crime risk)
Spending data and debt	Banks. Accessible with member consent through Consumer Data Right.	Can provide recommendations based on existing lifestyle.

## **6. Allow members to identify themselves to superannuation funds through a government-accredited digital identity**

Allowing members to verify their identity with a government-accredited digital identity would make access to superannuation and retirement services faster, safer and simpler. Many members currently face delays and repeated requests for documents when they move into retirement or update their account details, which slows the commencement of income payments and causes frustration at a critical time.

A Trusted Digital Identity Framework accredited solution would provide a consistent and secure way for members to prove their identity online or in person, reducing errors and manual processing while maintaining strong protections against fraud. Accredited providers are independently assessed against government standards, meaning funds would continue to meet all AML/CTF obligations. With explicit member consent and clear safeguards around how identity data is used, funds could streamline verification across all channels and significantly shorten the time it takes for members to access their retirement benefits.

## **Conclusion: Helping all Australians live well in retirement**

Australia has built a world-class saving system. The next step is to ensure it becomes a world-class spending system that helps Australians retire with confidence. The reforms in this submission, which include allowing contributions to pension accounts, a legal right to nudge and allowing funds to assist with Age Pension applications, are practical changes that will make the retirement phase simpler and better aligned with how people retire today. Implementing these reforms will help Australians navigate retirement with greater clarity, more stable income and improved financial security.