Australian Government
The Treasury

Protecting Consumers and the Promise of Superannuation in an Evolving Financial Ecosystem

This fact sheet provides further implementation details about the Government's *Protecting Consumers in the Superannuation System* measure, building on the reforms announced by the government in the 2026-27 Budget.

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1. Protections for Members of APRA-Regulated Superannuation Funds

1.1 Legislating an obligation on trustees to set and ensure compliance with caps on advice fee deductions from member accounts.

1.2 Amending the Superannuation Industry (Supervision) Act to increase maximum civil penalties to 50,000 (up from 2,400 units) penalty units for core breaches of trustee obligations.

1.3 Supporting APRA's ongoing platform governance work by providing APRA with the power to set risk-based capital requirements for superannuation trustees offering higher-risk investment options to their members.

1.4 Providing ASIC with the power to direct superannuation trustees to commence a remediation process when an investment option fails and there is reason to suspect a failure of trustee obligations.

2. Protections in the Self-Managed Superannuation Fund Sector

2.1 Empowering the ATO to prevent rollovers to new SMSFs in situations where the ATO is investigating concerns of fraud, financial abuse, misconduct or potential harm.

2.2 Introducing mandatory trustee education prior to SMSF registration, and supporting industry-led initiatives to uplift standards across the sector.

2.3 Requiring SMSFs to hold uniquely identifiable bank accounts.

2.4 Improving the utility and integrity of SMSF investment strategies by requiring SMSFs to have a written investment strategy upfront and consulting on options to uplift the quality of investment strategies.

2.5 Enabling the ATO to collect additional information on financial advisers and other entities involved in the establishment process and ongoing advice fee deduction arrangements.

2.6 Aligning the SMSF supervisory levy with fund establishment and increasing the levy for the first time since 2013, from $259 to $295, to enable stronger consumer protection measures to safeguard SMSF members from financial abuse, scams, fraud and misconduct.

2.7 Supporting the ATO to provide greater visibility to SMSF trustees, in particular those with low balances, of their returns compared to members of APRA regulated funds.

3. Reforms to address harmful Lead Generation

3.1 Banning unlicensed real-time communication with consumers about superannuation, with targeted exemptions to protect advocacy, educational and employment communications.

3.2 Enhancing the requirements around the consent consumers must give to enable real-time contact.

3.3 Strengthening anti-hawking protections by limiting the existing exemption for financial advisers to existing client relationships, with consultation on targeted exemptions to ensure low risk arrangements and necessary contact with family members and third parties of existing clients are protected.

3.4 Supporting more timely and scalable regulatory action by strengthening enforcement capability through the introduction of civil penalty provisions for breaches of the anti-hawking regime.

3.5 Requiring licensees to take reasonable steps to ensure lead generation activities are undertaken in compliance with relevant regulatory and legal requirements, including undertaking appropriate due diligence, maintaining records, and exercising ongoing oversight of lead generation arrangements.

3.6 Undertaking further targeted consultation on data harvesting and data broking in the financial sector, to determine potential high-risk forms of lead generation and consumer harm.

4. Enhancing Governance of Managed Investment Schemes

4.1 Giving the Auditing and Assurance Standards Board (soon to become External Reporting Australia) the power to make mandatory audit and assurance standards for auditors of MIS compliance plans.

4.2 Requiring Responsible Entities of MISs to notify ASIC when they freeze or limit an investor's ability to make redemptions.

4.3 As announced in the 2026-27 Budget, the Government will also soon consult on options to improve data collection on the MIS sector.

5. Financial Advice

5.1 Proceeding with changes to intra-fund charging, targeted superannuation prompts and statements of advice as soon as possible.

5.2 Introducing the New Class of Adviser regime to APRA-regulated superannuation and life insurance entities in the first instance, supported by strong safeguards against vertical integration through prohibitions on commissions, bonuses and volume-based payments that are features of sales-driven advice models. This measure will be subject to a review three years after commencement to evaluate the scope and operation of the reform.

5.3 Simplifying the Best Interests Duty reform, by maintaining the existing obligation and safe harbour steps, and removing only the broadest safe-harbour step that is a barrier to scaled advice.

5.4 Progressing with the review of the Financial Planner and Adviser Code of Ethics 2019, to ensure that it is fit for purpose and supports the safe provision of scaled advice.

5.5 Progressing reforms to the education requirements for professional advisers to create a sustainable pathway for new advisers to enter the profession.

5.6 Supporting ASIC's ongoing work on fee deductions and superannuation, to improve outcomes for superannuation fund members and SMSF trustees.

6. Compensation Scheme of Last Resort

6.1 Limiting CSLR payments to actual losses for applications made to AFCA after 30 June 2027, without any change to AFCA entitlements.

6.2 Providing a more predictable framework for funding exceptional losses via the waterfall special levy mechanism.

6.3 Including all SMSFs as Tier 3 levy payers in the waterfall model in future years when a special levy is required. The total sector levy for SMSFs will be scaled relative to assets under management when compared to the broader superannuation trustees sub-sector, with a flat levy amount applying to all funds.

6.4 Allocating the FY26-27 special levy according to the waterfall model outlined in the Government's consultation process, with further analysis, in consultation with relevant stakeholders, to support the Minister's decision on specific sub-sector allocations in Tier 1 and 2 of the waterfall.

6.5 Supporting the Productivity Commission's business dynamism inquiry, including its consideration of insolvency frameworks, to help inform the Government's consideration of how those frameworks interact with the CSLR and whether further reforms could improve the recovery of AFCA determinations.

6.6 Targeted reforms to improve the efficiency of the CSLR, including:

- expanding the CSLR operator's statutory recovery rights to additional available sources;
- allowing the CSLR operator to notify the Minister of a revised estimate before a levy period begins;
- reducing the disallowance period for CSLR levy instruments from 15 to 5 sitting days, consistent with ASIC levy instruments;
  - removing the need for consumers to notify AFCA of non-payment where AFCA already knows the firm cannot pay;
  - allowing compensation to be paid to more than one account or payee where need be;
  - developing a retail-facing metric for large securities and futures exchange participants, reducing the potential distortion of wholesale and institutional activity on special levies;
  - allowing firm-level levy metrics to be fixed at a defined point, so correcting one firm's data does not require recalculation across the entire sub sector;
  - amending the securities-dealer metric to capture all relevant transactions, including exchange-traded products that may not technically meet the statutory definition of a security; and
  - correcting the special levy formula so the intended $100 minimum operates, adjusted for appropriate treatment of SMSFs.