

Super Update

September 2025



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Two Treasury consultations on retirement phase of super

On 7 August, Treasury commenced two consultations covering best practice principles for retirement income solutions and a retirement reporting framework.

Best practice principles for retirement income solutions

The best practice principles are intended to help trustees design and deliver a suite of high-quality retirement income solutions for members. They will be voluntary only, and trustees can adopt and implement the principles in the manner most appropriate for providing their members with high quality retirement income solutions and satisfying their obligations. However, the government expects that trustees should be able to explain to members why a principle has not been adopted and implemented.

There are 19 draft best practice principles, all set out in Appendix A of the consultation paper. They are divided into sections covering:

- Understanding members' retirement income needs
- Designing the elements of a quality retirement income solution
- Constructing retirement income solutions that meet members' needs

- Supporting member engagement with the retirement income solutions
- Review and improvement of the solutions.

The consultation paper includes discussion of the themes relevant to the principles. Some comments of interest included:

- Members should have access to a lifetime income product that is not the Age Pension, as well as an account-based pension and lump sum
- Trustees should divide their membership at or approaching retirement into at least three cohorts, with a separate retirement income solution for each cohort; at least one of these solutions should include a lifetime income product that has regard to likely Age Pension eligibility
- Account-based pension drawdown pathways for most solutions should more efficiently convert balances into income than the legislated minimum drawdown rates; where the solution includes a lifetime income product, the account-based pension drawdown pathway should reflect the stability of income delivered through the lifetime income product
- All members who meet a relevant condition of release should have access to a retirement solution that includes an account-based pension component, irrespective of account balance
- Trustees should support all members to understand their retirement income needs by providing forecasts of income in both annual and pay-cycle terms, including via annual member statements and budgeting tools or expenditure calculators
- Trustees should support members through provision of information on (among other things) government resources on retirement related topics including the Age Pension and access to home equity; engagement should be fostered during the accumulation phase by providing information and tools to help members prepare for and understand their retirement income needs
- Engagement with members approaching retirement should include provision of information that is relevant to their cohort, and should include members who receive personal financial advice
- Trustees should notify members who have withdrawn at the minimum drawdown rate for three consecutive years about their ability to draw down at a higher rate
- Best practice reviews will assess the effectiveness of trustee-designed retirement income solutions in meeting the needs of the various cohorts, including consideration of relevant data on outcomes, usage, engagement and member behaviour, and have regard to the changing needs of members approaching retirement over both the short and medium term.

Consultation on the best practice principles closes on 18 September.

Retirement reporting framework

The proposed reporting framework is intended to:

- Measure industry progress in the retirement phase of superannuation
- Drive uplift in member outcomes through greater transparency for members
- Report on fund offerings and member outcomes for individual trustees, as well as at an industry level.

However, it is not expected that every trustee will offer every offering to be measured by the data collection and the reporting framework is not intended to incentivise over-servicing by the industry.

Trustees will be required to provide data to APRA based on a set of prescribed metrics and indicators that consider both the quality of a trustee's offerings and the outcomes for their members in retirement. The paper includes discussion the purpose of each of these and how they would be intended to work. Importantly, it states that the indicators will not be linked to any benchmark or measure of success; it is not intended to represent a performance test and there will be no legislated consequences associated with any particular level of performance.

The paper contains an Appendix that summarises the metrics and indicators, the basis for choosing them and proposed options for the type of data to be collected. The proposed indicators are:

- Provides options for drawdowns other than minimum drawdown rates for account-based pensions (ABPs)
- Whether the trustee has a longevity protection product or offers such a product through a third-party provider
- Offering and take-up of intra-fund advice to members
- Offers and take up or referrals of members for comprehensive advice
- Utilisation of retirement information and tools.

The proposed metrics of member outcomes are:

- Take-up of retirement products
- Account-based pension drawdown rates
- Account balance utilisation — how efficiently are super assets converted into income to support members' living standards in retirement
- Take-up of longevity protection products and account-based pensions.

The proposed metrics to measure cohorting practices are:

- Number of cohorts
- Information used to develop cohorts.

Consultation on the reporting framework closes on 5 September. Once the government has determined the information to be published, APRA will conduct a separate consultation on how it will give effect to the collection and publication of the indicators and metrics.

The best practice principles in particular are an important development that we expect will serve to guide retirement income product development into the future. Obtaining industry and other stakeholder support for the final version of the principles will therefore be crucial. In this regard, we support the government's assurances that there will be no compliance action associated with whether trustees adhere to the principles. Trustees will need to consider their membership and their legal obligations, including under the best financial interest duty, in determining the retirement income solutions they will offer. Not all of the principles may be immediately relevant for all funds.

ASIC expectations of trustees to address financial services misconduct

On 30 July, ASIC Chair Joe Longo delivered a major speech¹ in which he described a range of activities that ASIC would be undertaking to address high pressure sales tactics being used to convince individuals to transfer their superannuation savings into complex and risky schemes through an SMSF, or more commonly, a platform product.

The activities have been prompted by two related issues. Since early in 2024, ASIC has been investigating two unrelated managed investment schemes — the Shield Master Fund and the First Guardian Master Fund. The responsible entities of both these schemes are now in liquidation and investors cannot access their investments in either scheme. Across the two schemes, more than \$1 billion was invested by over 11,000 investors. ASIC has stated that it expects it unlikely that those investors will be made whole.

In both cases, the investments were accessed primarily through superannuation platforms. ASIC's investigations to date suggest that many of the investors were contacted by lead generators and referred to personal

financial advice providers who advised them to roll their superannuation into a one of the platforms and then invest into the schemes. Some investors received advice to set up SMSFs to facilitate investments into the schemes.

In addition to investigating the responsible entities of the two schemes, ASIC is now considering the conduct of various parties associated with the processes by which investors ended up with their super invested in the schemes, including the trustees of the superannuation platforms on which either or both of the schemes were available.

While the investigations into these parties are also ongoing, ASIC has now made clear its expectations of super fund trustees. They must undertake sufficient due diligence of new investment options before making them available to members. Although they are not responsible for the creation of these products or the management of the companies that issue them, ASIC does expect trustees to check that the products are fit for purpose before including them in their platforms.

Trustees are also expected to review their processes to ensure members are not being exploited by super-switching business models. They should have processes in place that allow them to identify practices that may result in the erosion of super balances, including from inappropriate advice fee charges. Licensees who have engaged the services of sales referral sources should have in place adequate monitoring and supervision arrangements to detect concerning conduct and to make sure their advisers are acting in the best interests of their clients.

ASIC is also considering a number of wider issues, including:

- Conflicts of interest in relation to superannuation switching advice, including what payments are being made to lead generators, financial advisers, and their respective licensees and whether existing conflicted remuneration and conflicts of interest rules are sufficiently robust
- Standards for gatekeepers including super trustees as well as research houses, financial advisers and responsible entities of managed investment schemes — questions in ASIC's focus include whether limits should be placed on what superannuation can be invested in, whether more should be demanded of trustees and responsible entities, whether there should be restrictions on retail investments in high-risk funds, whether the process of creating an SMSF and rolling over superannuation into it should be slowed down and whether the retail client definition is still fit for purpose.

¹ "Forward together: Addressing misconduct in financial services", Keynote address, FSC Symposium, 30 July 2025, <https://www.asic.gov.au/about-asic/news-centre/speeches/forward-together-addressing-misconduct-in-financial-services/>

Finally, ASIC raised long standing issues in the managed investment scheme sector, including concerns that the registration bar for these schemes is, in ASIC's words, very permissive. APRA subsequently announced, in its Corporate Plan for 2025-26, that it is undertaking a review of the quality and soundness of trustees' governance and oversight of investments offered via platforms. The review focuses on key areas including due diligence, onboarding, monitoring and removal of investment options, as well as strategic planning and practices to promote member outcomes.

Although ASIC's investigations are ongoing, we would encourage all super fund trustees to review their processes for due diligence of investment options, particularly where they offer investment products for which they are not the responsible entity. Trustees who offer personal financial product advice via external advisers (i.e. where the advice is not provided under the trustee's AFSL) should also periodically review the advice being provided to fund members to ensure it is appropriate.

News in brief

ASIC consultation on updated PDS disclosure guidance

Consultation closed on 6 August on proposed updates to ASIC's Regulatory Guide RG 168 Disclosure: Product Disclosure Statements (and other disclosure obligations). ASIC intends to:

- Centralise relevant guidance on PDS disclosure into a single regulatory guide, removing references to FSGs and Statements of Advice which are also covered in other regulatory guides and simplifying the existing guidance
- Reframe the existing guidance on misleading and deceptive conduct to highlight examples of general disclosure concerns with PDSs, without changing the substance of that guidance
- Amend and cross reference information on fees and costs
- Clarify the legislative basis for ASIC's Good Disclosure Principles.

A range of separate guidance relevant to superannuation PDSs will be withdrawn once the revised RG 168 is finalised, including:

- Information Sheet 94 Notification requirements for Product Disclosure Statements
- Information Sheet 155 Shorter PDSs — Complying with requirements for superannuation products, simple managed investment schemes and simple sub-fund products

- Regulatory Guide 65 Section 1013DA disclosure guidelines, which covers disclosure of how ESG considerations are taken into account in selecting, retaining or realising investments
- Regulatory Guide 66 Transaction-specific disclosure for PDS.

ASIC subsequently announced that it would conduct a targeted review of the requirements in RG 97 to disclose stamp duty payments as transaction costs, following suggestions that the disclosures impact performance test results and discourage investment in property by super funds.

The revised draft contains a useful new Appendix containing references and links to other ASIC guidance relevant to PDSs. The section on general disclosure concerns will also be of use to issuers of PDSs. However, RG 65 is proposed to be replaced by two pages of guidance in Appendix 2 of the draft, although ASIC does not appear to intend to withdraw its more recent greenwashing guidance in Information Sheet 271. ASIC made 43 greenwashing interventions over the 15 months to June 2024 according to the report it issued on this topic in August 2024, so we do wonder whether an alternative approach might have been to update and consolidate the guidance in RG 65.

APRA observations on trustee expenditure

On 24 June, APRA issued a letter to all trustees setting out initial observations, examples of better practice and areas for improvement in relation to expenditure management. This followed a review of 14 trustees of varying scale and business models where APRA had observed comparatively higher levels of expenditure or where the member benefit of specific expenditure was not immediately apparent to the regulator.

Among other things, APRA observed the poor use and adoption of quantitative metrics to assess whether financial benefit was being delivered to members, particularly in relation to the services provided by third parties. Other concerns included, in some cases:

- Emphasis on industry positioning or the activities undertaken by peers rather than delivering outcomes to members. APRA considers that this approach undermines the intent of the best financial interests duty
- Sub-optimal framework design, including a lack of robust governance and oversight of fund expenditure and decisions not being supported by an expenditure management framework aligned to SPS 515 and associated guidance
- Undue reliance on the performance reporting provided by third parties or service providers without applying judgement to determine if a trustee's own success measures were being met. In some cases, performance was not tracked against the original metrics of an agreement

- Failure to review service provider agreements entered into prior to the introduction of the best financial interests duty, which APRA considers represents a significant compliance risk and a lack of responsiveness to evolving requirements.

APRA expects all trustees to have:

- A robust decision-making approach with clear links to strategic objectives and expected financial outcomes for members
- A comprehensive expenditure management framework with clear definitions and expectations, thresholds and approval requirements including a risk assessment
- Periodic monitoring that utilises member outcomes-focused success metrics to measure changes in financial outcomes to members; trustees should also ensure they act on insights arising from these metrics
- Reporting that is supported by evidence and data with clear links to member impact.

Treasury consultation on sustainable investment product labels

On 18 July, Treasury released a consultation paper seeking feedback on the possibility of establishing a sustainable financial product labelling framework that would cover a range of products including super fund investment options.

The paper discusses the definitions of different types of sustainable investment approaches agreed by various global organisations including the CFA Institute and UNPRI, along with the product labelling regime introduced in the UK as an example of a principles based labelling regime.

Issues raised in the paper include:

- Whether investment approaches captured by any regime should be prescribed in legislation or left for industry to determine
- Which products should be covered by any regime — only those that are marketed as sustainable, or all products
- Which features of a product should trigger a labelling requirement (e.g. a threshold percentage of product assets invested under a sustainable approach)
- Whether there should be some sort of third party certification approach before products can describe themselves as sustainable
- How should issues of greenwashing and greenhushing (i.e. downplaying or not publishing sustainable practices due to fears of being found liable for misleading or deceptive sustainability claims) be addressed.

Consultation closed on 29 August.

ASIC consultation on digital disclosure relief extension

ASIC consultation closed on 6 August on proposals to remake two relief instruments on digital disclosure that are due to sunset soon, and on updates to its related Regulatory Guide RG 221 Facilitating digital financial services disclosures.

The relief instruments allow providers to publish financial services disclosures digitally and notify clients that they are available (the “publish and notify method”) and relax requirements for digital disclosures. ASIC considers that the instruments are operating effectively and efficiently and continue to form a necessary and useful part of the legislative framework.

Proposed updates to the Regulatory Guide include:

- Simplifying the drafting of the guidance
- Updating any outdated references to legislation, regulations, and legislative instruments
- Revising Section D of the Regulatory Guide to centralise guidance on digital disclosure practices and include references to relevant legislative obligations
- Updating examples of digital disclosures methods to better reflect that ASIC does not mandate a particular method of digital disclosure.

SFT guidance from Gateway Network Governance Body

On 29 July, the Gateway Network Governance Body (GNGB, which manages the superannuation transaction network) released a three page guide intended to help super funds manage the hidden risks of SFTs. It discusses some of the operational impacts of SFTs on employers, gateway operators and members, and sets out how funds can avoid what it describes as five common mistakes that the GNGB sees:

- Late Fund Validation Service updates that can put timely SG contributions at risk
- Poor communication, including relying on a single channel or assuming members will notify employers of the SFT
- Blackout periods during which contribution processing is halted, which the GNGB considers are rarely best practice
- Scheduling transitions during peak contribution periods such as around SG quarterly deadlines or end-of financial-year, which can add unnecessary pressure to the system
- Prioritising fund accounting needs over the integrity of the superannuation transaction network, which the GNGB considers can backfire, resulting in costly remediation.

Final financial sector levies for 2025-26

The final financial sector levies for 2025-26 have been determined and are set out below, compared with the actual levies for the 2024-25 year.

	2024-25 (actual)	2025-26 (final)	Change (%)
Restricted:			
Rate (%)	0.00776	0.00719	-7.3%
Minimum (\$)	12,500	12,500	—
Maximum (\$)	900,000	950,000	5.6%
Unrestricted (%)	0.003272	0.002516	-23.1%

The levy amount for small APRA funds is unchanged at the flat rate of \$590 per fund.

APRA superannuation statistical publications released

Highlights of APRA's June 2025 Quarterly Superannuation Performance publication, issued on 27 August, included the following:

	June 2024 (\$ billion)	June 2025 (\$ billion)	Change (%)
Total Superannuation assets	3,943.0	4,330.1	+9.8
Total APRA-regulated assets	2,721.4	3,039.5	+11.7
Total self-managed super fund assets	997.0	1,051.8	+5.5

Total superannuation assets increased by 4.8% over the quarter to \$4.3 trillion as at June 2025, of which \$3.0 trillion was in APRA-regulated funds. Contributions increased by 14.1%, while benefit payments increased by 12.8% to \$132.5 billion over the year.

APRA's MySuper statistical publication for the June 2025 quarter was also released on 27 August. This report contains data relating to product profile, asset allocation targets and ranges, investment performance and net returns, as well as fees and costs and some insurance premium data.

On 26 June, APRA released the March 2025 editions of its new series Quarterly Superannuation Product Statistics, Superannuation Industry and Fund-level Statistics publications:

- The Product Statistics publication lists all superannuation products offered by each APRA-regulated superannuation fund, including, for the first time, retirement products, and the investment menus and investment options available through these products. It also includes granular information on fees and costs, investment performance, investment strategy and asset allocation for a range of products and investment options
- The Super Industry publication contains data on superannuation products, investment options, member demographics and industry investments by asset class
- The Fund-level Statistics publication contains detailed member demographic information and total fund investments by asset sector types for each APRA-regulated fund with more than six members.

Legislative update

The new parliament commenced on 22 July for a two week session after the 3 May federal election returned the government with an increased majority. The bill which would create the new Division 296 tax on earnings on balances greater than \$3 million automatically lapsed and has not yet been reintroduced, although the Treasurer has indicated his intention to proceed with the measure when the parliamentary schedule allows. Parliament resumed on 25 August for a two week session.

Since the last edition of Super Update, the following regulations relevant to superannuation have been made:

- Family Law (Superannuation) (Interest Rate for Adjustment Period) Determination 2025, which sets the interest rate required to be used to adjust a base amount under a deferred Family Law split; under the new Family Law (Superannuation) Regulations the prescribed rate is now equal to AWOTE plus 2.25% pa (under the previous Regulations it was AWOTE plus 2.5% pa)
- Superannuation (Unclaimed Money and Lost Members) Amendment (2025 Measures No. 1) Regulations 2025, which added three WA public sector funds to those that are required to send unclaimed money, unclaimed super of former temporary residents, inactive low-balance accounts, and lost member accounts to the ATO.

A guide to key changes

The dates that follow were correct as at the time of publication of this edition of Super Update.

Date	Change
1 Jul 2025	Proposed commencement of Division 296 tax — additional earnings tax on super balances over \$3 million.
1 Jan 2026	Commencement of section 29QC of the SIS Act.
1 Jul 2026	Proposed commencement of Payday Super requirements.
1 Jul 2026	Commencement of climate-related financial disclosure obligations for group 2 entities including super funds.
1 Oct 2027	Start date for publication of product dashboard for certain Choice products.
1 Oct 2027	MySuper product dashboard to be included in periodic statements.

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