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CBUS submission on the Corporations Amendment (Ban on Advertising Superannuation Funds During Onboarding) Regulations 2026

CBUS welcomes the opportunity to provide feedback on the superannuation advertising ban – draft regulations.

We strongly support the policy principles that underpin these reforms, aimed at ensuring workers, particularly those entering new employment arrangements, are not exposed to marketing or sales tactics that funnel them into underperforming or inappropriate superannuation products. In a compulsory superannuation system, policy settings must carefully balance choice with protections aimed at preventing harmful influence during a high-risk decision point.

Why these reforms matter for members

Without appropriate safeguards, the employee onboarding environment can be shaped in ways that do not serve members' best financial interests.

While arising in a different context, the factors that led to thousands of Australians' retirement savings being put at risk following the collapse of First Guardian and Shield demonstrate how online channels and marketing practices can steer members into decisions that undermine their financial position. These reforms are therefore a key member protection, aimed at limiting exposure to poor performing super products.

And the risks to members are not limited to underperformance. Decisions made during onboarding can also have immediate and profound consequences for a member's insurance cover, including whether they are insured at all, the adequacy of that cover, or whether it's appropriate for their occupation.

For many workers, particularly those in higher risk industries, insurance within super is a key source of financial protection in the event of death, disability or serious illness. However, this coverage is highly sensitive to fund choice, and decisions influenced by marketing or insufficient disclosure during onboarding can have significant consequences.

Against this backdrop, the success of Australia's default superannuation system, anchored by high performing funds, provides a clear benchmark. CBUS supports the clear limitations on which superannuation products can be presented during onboarding, as well as the introduction of rules around the labelling, prominence and disclosure for permitted MySuper products.

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Strengthening rules around super product prominence

CBUS supports proposed requirements that any advertised funds are not given prominence above default funds. Default funds play a vital role in the system, ensuring that workers who don't choose a fund are directed to a high performing fund that is tailored to their industry and has been carefully chosen by their employer. The prominence requirement however will only be effective if applied consistently and strengthened with a 'standard' design for onboarding interfaces supported by clear regulatory guidance, minimum standards, and examples of compliant versus non-compliant interfaces. A consistent approach would also better serve members who will likely encounter a number of different software providers throughout their working lives. Workers would be better able to make decisions if there was consistency in what they are presented with during onboarding, regardless of the platform the employer is using.

Recommendation 1: Provide a 'standard' design for onboarding interfaces, with clear guidance, minimum standards and examples of compliant versus non-compliant product prominence.

Protecting workers' insurance coverage

Changing jobs is a critical time for new employees to consider their insurance needs. This is particularly pertinent for workers changing industries as premiums and coverage will likely change as a result. Workers starting jobs in building and construction, energy and other high-risk occupations, are unlikely to be able to take out cover outside of superannuation and therefore rely on default insurance in super to provide vital protection.

CBUS is one the very few funds to adopt the Dangerous Occupation Exception (DOE) which provides automatic insurance coverage to young workers in hazardous occupations, regardless of age or account balance – ensuring workers in these industries are not left uninsured. The DOE recognises young and inexperienced workers in hazardous industries face higher risks of injuries, and it is vital they have insurance from their first day on the job.

Between April 2020 and 31 December 2025, CBUS has paid a total of \$178.5 million to over 1,415 members or their loved ones due to the DOE. Had these members been with almost any other fund they would have received nothing. Almost one in three of these claims are for members under the age of 30.

We remain concerned that proposed settings risk leaving some workers underinsured or uninsured. Stapling, combined with limited disclosure could mean that some workers remain in, or move to, funds that do not provide appropriate insurance for their occupation or circumstances. As a minimum, new employees need to be made explicitly aware of these risks so they can make an informed decision.

Recommendation 2: Mandate prominent, standardised insurance warnings and disclosures at onboarding which explicitly recognise the impacts of the loss or deterioration of insurance coverage. This should include:

- A clear, mandatory disclosure where a member's stapled fund may not provide appropriate insurance for their occupation or circumstances.
- A prominent warning that insurance for people under 25 or with a low super balance will not be provided automatically unless you work in a hazardous job and your fund has a Dangerous Occupation Exception.
- A requirement to highlight key insurance differences, including hazardous occupations exclusions or inclusions.