

5/03/2025

Director
Governance and Integrity Policy Unit
Law Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email to TaxSecrecyReview@treasury.gov.au

Dear Treasury,

Review of Tax Regulator Secrecy Exceptions

AustralianSuper welcomes the opportunity to provide a submission on Treasury's Review of Tax Regulator Secrecy Exceptions.

AustralianSuper is Australia's largest superannuation fund and is run only to benefit members. AustralianSuper manages over \$355 billion of members' assets on behalf of over 3.4 million Australians. Our purpose is to help members achieve their best financial position in retirement.

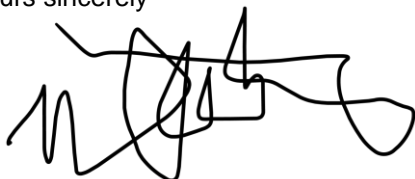
Our submission addresses two issues:

- Prevention of fraud (part 3.1 of the paper); and
- Empowering superannuation fund members to provide their data to their superannuation fund to help them plan for their retirement (part 4.3 of the paper).

Details 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. If that would be of assistance, please do not hesitate to contact me or Richard Murphy, Manager, Government Relations & Public Policy (rmurphy@australiansuper.com).

Yours sincerely



Nick Coates
Head of Government Relations & Public Policy

Attachment: Key Issues

Prevention of fraud (part 3.1)

AustralianSuper has rigorous systems to protect members from fraud, with preventative and detective controls in place to mitigate the risk of both internal and external fraud.

ATO information about potential fraudulent behaviour used against the superannuation system, including identity theft, has the potential to allow superannuation funds to refine and adjust their controls to ensure that they are as effective as possible in combatting fraud. We would strongly welcome reforms to ensure that the ATO has legal authority to share this information with superannuation funds where the ATO has information to hand that could assist superannuation funds in this regard.

Recommendation:

AustralianSuper strongly supports the proposal to allow the ATO to share information regarding fraud directly with superannuation funds.

The information sharing should also extend to funds' external administrators, as they can play a key role in fraud identification and prevention. As the paper notes, MUFG group, which is AustralianSuper's administrator, is a member of the Australian Financial Crime Exchange (AFCX).

Consumer consent (retirement planning) (part 4.3)

With Australians living longer, and a wave of Australians approaching retirement age, we will see more people retire with larger balances and a higher reliance on super. AustralianSuper members tell us that they want information about retirement and how to get ready for it. Crucially, they want tailored information that reflects their financial situation and gives them the autonomy to make their own choices for their own needs.

Superannuation funds need to be able to provide targeted guidance and assistance to all retiring members who seek it and, with the upcoming retirement wave, they will need to do so at an unprecedented scale. To support this need, AustralianSuper has advocated for reforms to empower superannuation fund members to give their superannuation fund secure access to their relevant data held by government, including that held by the ATO and Services Australia. We therefore support the proposal in the paper to amend the law to allow taxpayers to consent to the ATO disclosing their data directly to third parties, such as superannuation funds, where this may provide benefits to the taxpayer.

This proposal aligns with the Government's December 2024 Delivering Better Financial Outcomes announcement which seeks to ensure Australians can access quality and affordable financial advice. We believe superannuation funds can play a significant role in helping Australians access guidance and financial advice, whether directly or through third-party advisers, so they can make the most of their wealth and retirement savings.

Superannuation funds could use this information to provide advice and guidance relating to super contributions, investment options, retirement products and appropriate insurance coverage better targeted to a member's life circumstances. Examples of specific data fields and the way each would inform advice and guidance includes:

- Total superannuation balance, and previous concessional and non-concessional contributions (indication of potential retirement income from super and the opportunity for additional contributions and unused caps)

- Receipt of employment termination payments (clear indication of cessation of employment: when combined with age this can indicate an intention to retire)
- Recent capital gains tax event (suggests other sources of savings outside of superannuation, informing product choice)
- Whether the member has a spouse (allows for greater personalisation and more appropriate grouping of member 'cohorts' which enable funds to help engage in a more relevant, and therefore helpful manner)
- Key personal identifiers including name, DOB, Address, TFN, external verification (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).

This is an indicative list but illustrates how data held by ATO could support better quality and more affordable advice and guidance to superannuation fund members. It is important that access to this data is granted at the discretion of the member, with informed consent about its use.

As the paper notes, work would need to be done to allow and implement a pathway to implement efficient and secure data sharing. Superstream provides an example of where collaboration between government and industry delivered better member outcomes and strengthened the integrity of the super system through enhanced efficiency, reliability and security when sharing member information. This is a model that could be further leveraged to improve member outcomes in the retirement phase by allowing super funds to form a more holistic understanding of the income needs and wants of members through further integration.

We also see value in the proposal in part 4.2 of the paper for the ATO to be permitted to disclose information to registered financial advisers where the taxpayer requests this. Treasury has identified issues that would need to be worked through to give effect to this proposal, such as cyber-security, implementation costs and the timeliness of data. As an additional issue, as part of its Delivering Better Financial Outcomes reforms, the Government has proposed introducing a New Class of Adviser with lower professional qualifications to increase the availability and affordability of simple advice. The availability of this information to this New Class of Adviser, and appropriate associated protections, are also issues that should be considered as this proposal is developed.

Recommendation:

The Government should empower members to give their superannuation fund secure access to their relevant data held by government to support tailored guidance and advice.