SUPER MEMBERS COUNCIL

Consumers should be wary of claims they would be better off switching their super into more complex and costly products

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The Super Members Council is urging Australians to be wary of suggestions they would be better off moving their super from low-cost, high-return mainstream super funds into more complex and costly products such as super 'platform' funds and SMSFs which require expensive ongoing financial advice fees to set up and run.

The consumer alert follows a major ASIC report which found shocking gaps in trustee oversights of large advice fee deductions at several super 'platforms'. It came just days after the Financial Services Council (FSC) published a report portraying 'platform' super products as potentially suitable for almost anyone, which is simply not the case.

Rather than switching to more complex and costly products where higher fees can erode their super, most consumers would be best served by taking simple and practical initial steps to grow their retirement savings using tools, support and guidance available at no cost or low cost from their own trusted mainstream super fund.

The facts around advice, switching, and platforms are vitally important as the Government and Parliament consider major reforms to stop the type of harmful switching conduct in which almost 12,000 Australians lost their life savings in the collapsed Shield and First Guardian schemes listed on four major super 'platforms'.

ASIC's Report 833 (June 2026) shows that between 2015 and 2025, super platform funds under management more than tripled from $123 billion to $396 billion, as the total amounts of advice fees deducted from platform accounts grew more than four-fold to $2.3 billion.

Concurrently, APRA data reveals a sharp $1.1 billion increase in advice fee deductions from Australians' super accounts in the last two years alone, with $815 million of it concentrated in just five super platforms.

ASIC's report raised concerns about "stark and persistent failures" by some super platform trustees to properly protect Australians super from excessive advice fee deductions.[1] It found one platform trustee had proposed an advice fee cap as high as $30,000.

Earlier this year, SMC released new data on switching showing a recent sudden spike of younger people with smaller amounts of super now being switched to platforms and SMSFs - seven in ten of them had less than $100,000 in their super.

Against this backdrop, the recent FSC-issued report made selective claims about performance and costs comparing 'platform' super funds with safe, high-return, low-cost, performance-tested mainstream MySuper funds.

SMC disputes the FSC report's claims in at least four ways:

1. Members of platform super products typically pay higher administrative fees

Analysis of the official data reported to APRA reveals super 'platform' products cost consumers nearly twice the MySuper admin fee benchmark at $50k, $100k and $250k balance levels. For someone with $50,000 in super, the median representative administration fees and expenses on a platform product is 0.47% - nearly double the comparable rate of 0.25% for MySuper and 0.24% for non-platform trustee-directed products.

2. Members of platform super products typically have lower - not higher - exposure to growth assets

On a member weighted basis, which reflects where members' super is invested, the official data reported to APRA reveals MySuper default super options typically average 77% in growth assets, compared to a lower average of 73% for trustee-directed choice products and 70% for platform choice products reported to APRA.

3. Members of platform super products have lower risk-adjusted returns - and most are not performance tested

The official performance data reported to APRA reveals platform trustee-directed products are, on a member weighted basis, around 0.9% points a year behind MySuper products in a like-for-like, asset-allocation-adjusted

[1] https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2026-releases/26-135mr-asic-calls-platform-trustees-to-account-over-persistent-failures-to-safeguard-super-savings/

and fee-inclusive comparison. Most platform investment options are also not subject to the performance test on super (a key consumer protection as to whether your super is performing or not).

4. The asserted financial benefits of platforms exclude the cost of advice

The FSC report's analysis of platform costs excluded advice fees - yet having an ongoing adviser is an inherent requirement for most consumers invested on super platforms. Consumers typically pay advice fees which can range into thousands of dollars every year. Those fees – as ASIC's report found – can be high.

SMC strongly supports members having access to affordable, quality financial advice which helps them make informed decisions that are in their best interests - and continues to advocate for long-promised Delivering Better Financial Outcomes reforms to enable more to Australians have that access.

Fully informed consumer choice has a crucial role to play in helping Australians make good financial decisions, and the evidence shows most Australians continue to be better off financially in APRA-regulated, high-performing and low-cost mainstream profit-to-member super funds – the backbone of Australia's world-class super system.

Up to 80% of the members who were advised to switch into Shield and First Guardian appear to have been unaware that's where their super savings were moved. That's not healthy, informed choice.

ASIC's Report 833 underscores the urgent need for stronger and more consistent consumer protections across the super system.

The Council calls for urgent reforms to strengthen consumer protections including:

– stronger trustee-set advice fee caps and universally robust oversights on advice fee deductions from super systemwide to better protect consumers
– stronger transparency and reporting of fees across all products, and
– faster implementation of Delivering Better Financial Outcomes (DBFO) reforms.

See **Appendix** for more information.

APPENDIX:
THE FACTS ON SUPER PERFORMANCE AND FEE COMPARISONS

Evaluation of cost and performance of MySuper and Choice products

The highly detailed Comprehensive Product Performance Package (CPPP) - independently collected and published by APRA - enables close analysis to evaluate differences in fees, asset allocation, and benchmark performance between different categories of superannuation products – MySuper (the default for most Australians with super), Choice (Non-platform TDP), and Choice (Platform TDP).

The data collected by APRA covers 563 diversified accumulation products, spanning $1.66 trillion in assets.[2]

Where possible, assessments have been made at the three representative balance levels published by APRA ($50,000, $100,000, and $250,000).

Fact: Platform products have higher standard fees, at almost every level

APRA fee data shows that platform trustee-directed products have higher representative administration fees and expenses than both MySuper and non-platform trustee-directed products. For a $50,000 balance at the median, platform products have representative administration fees and expenses of 0.47%, compared with 0.25% for MySuper and 0.24% for non-platform trustee-directed products – **making them almost twice as costly (Table 1).**

The spread of fees also matters. The differences evident for a median (P50 or 50th percentile) product also persist for lower and higher cost products. At the top tier of fees (P90 or the 90th percentile), Platform fees are 0.89%, compared with 0.39% for MySuper and 0.38% for non-platform trustee-directed products. This means higher costs are not just at the median but also when comparing lower and higher cost products in each category[3].

These distributional differences are also clear at higher representative balances. At $100,000 and $250,000, median administration fees and expenses are almost twice the MySuper median (see Table 2 and 3).

These APRA fee measures capture standard product-level administration and advice-related fees reported in the data. They do not capture separately negotiated or custom adviser fee arrangements that may apply to individual advised members. The figures should therefore be treated as a conservative estimate of the real extra cost for advised platform members.

Table 1: Distribution of representative administration fees and expenses, $50k balance (product weighted)

Segment	Representative Administrative Fee / Expense (RAFE)						
	Min	P10	P25	P50	P75	P90	Max
MySuper	0.05%	0.10%	0.16%	**0.25%**	0.33%	0.39%	0.73%
Non-Platform TDP	0.02%	0.14%	0.17%	**0.24%**	0.31%	0.38%	0.72%
Platform TDP	0.02%	0.16%	0.31%	**0.47%**	0.64%	0.89%	1.05%

Source: SMC analysis of APRA Comprehensive Product Performance Package, 2025.

2 This comprises 52 MySuper products covering 16.4 million accounts and $1,207 billion in assets; 374 non-platform trustee-directed products covering 4.2 million accounts and $432 billion in assets; and 137 platform trustee-directed products covering 164,000 accounts and $19.9 billion in assets.

3 Even if dealer fee discounts off the product disclosure statement (PDS) rates are offered they are insufficient to overcome the more costly fee structure for more than three quarters of platform products.

Table 2: Distribution of administration fees and costs charged, $100k balance (product weighted)

Segment	Administration fees and costs charged ($100k balance)						
	Min	P10	P25	P50	P75	P90	Max
MySuper	0.05%	0.08%	0.12%	**0.19%**	0.27%	0.34%	0.71%
Non-Platform TDP	0.02%	0.10%	0.14%	**0.20%**	0.28%	0.34%	0.65%
Platform TDP	0.05%	0.21%	0.38%	**0.45%**	0.54%	0.59%	0.75%

Source: SMC Analysis of APRA Comprehensive Product Performance Package, 2025.

Table 3: Distribution of administration fees and costs charged, $250k balance (product weighted)

Segment	Administration fees and costs charged ($250k balance)						
	Min	P10	P25	P50	P75	P90	Max
MySuper	0.03%	0.05%	0.08%	**0.16%**	0.23%	0.29%	0.71%
Non-Platform TDP	0.02%	0.05%	0.11%	**0.17%**	0.24%	0.29%	0.60%
Platform TDP	0.05%	0.22%	0.30%	**0.36%**	0.40%	0.47%	0.69%

Source: SMC Analysis of APRA Comprehensive Product Performance Package, 2025.

Fact: Choice platform products do not appear to deliver higher growth exposure in practice

APRA data does not support the proposition that platform choice products are delivering higher growth exposure in practice.

On a member-weighted basis, MySuper members have an average strategic growth allocation of 77.1%, compared with 72.8% for non-platform choice and 70.3% for platform choice. On a simple average across options, the gap is even wider: MySuper options average 73.1% growth, compared with 65.4% for non-platform choice and 58.5% for platform choice (see table 4).

The observed platform choice universe appears to do the opposite. Platform choice members are, on average, exposed to less growth than MySuper members, which weakens the claim that platform choice is generally a pathway to higher long-term returns.

Nor is age-based tailoring unique to the choice sector. MySuper can already be delivered through lifecycle strategies, with asset allocation changing by age. This refutes the claim that members need choice products to access age-based investment design.

Table 4: Strategic growth asset allocation by segment

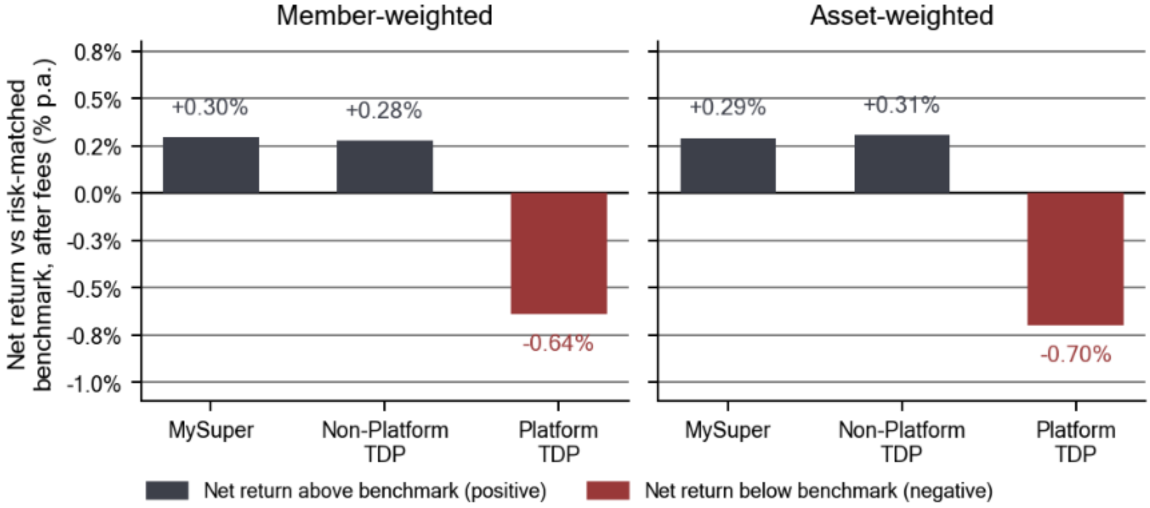
Segment	Asset-weighted growth	Member-weighted growth	Simple avg of options	Total assets ($b)	Total members (m)
MySuper	76.03%	77.07%	73.11%	1,163.20	15.02
Non-Platform TDP	74.92%	72.83%	65.39%	529.3	5.54
Platform TDP	73.43%	70.32%	58.46%	19.7	0.16

Source: SMC analysis of APRA Comprehensive Product Performance Package, 2025.

Fact: Members in choice platform products typically have poorer risk adjusted returns

We have also examined APRA's performance data on a risk-adjusted and fee-inclusive basis. This separates product outcomes into two components. The first is implementation alpha: the product's investment return relative to its own strategic asset allocation benchmark. This controls for differences in asset allocation, so products are not advantaged or disadvantaged simply because they hold more or less growth exposure. The second is representative administration fees and expenses (RAFE), which captures the standard administration and advice-related fees reported by APRA for each product.

Figure 1: Risk-adjusted return after fees, by product type ($50k balance)



Source: SMC analysis of APRA Comprehensive Product Performance Package, 2025.

Combining these two measures gives a risk-adjusted, fee-inclusive measure of member outcomes. On this basis, platform trustee-directed products perform materially worse than MySuper and non-platform trustee-directed products. On a member-weighted basis, MySuper products record implementation alpha of +0.54% and a net result after RAFE of +0.29%. Non-platform trustee-directed products record excess returns (implementation alpha) of +0.52% and a net result of +0.28%. Platform trustee-directed products record negative implementation alpha of -0.22%, and a net result after RAFE of -0.64%.

This means platform trustee-directed products are around 0.9 percentage points a year behind MySuper on a like-for-like, asset-allocation-adjusted and fee-inclusive basis[4]. The figures are member-weighted, so they reflect the experience of the average member rather than the average product.

Table 5: Member-weighted risk-adjusted return after fees, by product type, $50k balance (% per annum)

Segment	Alpha	RAFE	Net
MySuper	+0.54%	−0.24%	+0.30%
Non-Platform TDP	+0.52%	−0.24%	+0.28%
Platform TDP	−0.22%	−0.42%	−0.64%

Note: The performance-test measure is not used here because it benchmarks each product's fee component against the median fee within its own product category. That within-category benchmarking offsets the higher fees charged across the platform segment as a whole and understates the cross-segment fee gap. Measuring RAFE at its actual level allows a direct comparison across MySuper, non-platform and platform products.

Source: SMC analysis of APRA Comprehensive Product Performance Package, 2025.

We also assessed this risk adjusted return for a $100,000 and $250,000 balance with the same pattern of underperformance emerging (see table 6):

[4] This comparison excludes the effect of advice fees that are paid by members and deducted from their account balances. If they were included the performance disparity would be even greater.

Table 6: Member-weighted risk-adjusted return after fees across representative balances (% per annum)

Segment	Alpha	Net return vs benchmark, after fees		
		$50k balance	$100k balance	$250k balance
MySuper	+0.54%	+0.30%	+0.36%	+0.40%
Platform TDP	−0.22%	−0.64%	-0.56%	-0.50%
MySuper outperformance	**+0.76%**	**+0.94%**	**+0.92%**	**+0.90%**

Source: SMC analysis of APRA Comprehensive Product Performance Package, 2025.

APRA's own (limited) performance assessment points to weaker average outcomes for platform products. In the 2025 performance test, every MySuper product passed: 52 products, covering 16.4 million accounts and $1.207 trillion in assets. Every non-platform trustee-directed product also passed: 374 products, covering 4.2 million accounts and $432 billion in assets. The only failures were platform trustee-directed products: 7 of 137 failed, including 4 repeat failures, affecting around 8,500 accounts and just over $1 billion in assets.

Merely passing the performance test also does not imply strong performance. APRA found that more than 40% of platform products with a 10-year history had significant investment underperformance. Among that cohort, the median platform product returned 0.26 percentage points a year below its benchmark.

Only $19.7 billion of platform fund assets were assessed by APRA due to current performance test coverage rules resulting in less than 5% of platform super assets being assessed, compared to over 70-85% of assets for most mainstream super funds which typically have a high proportion of their members in MySuper products.

Consumers should be wary of significant advice costs associated with switching

Any credible assessment of the financial benefits of advice must also factor in the cost paid for the advice as well as its benefits. Omitting the cost of advice when assessing benefits of a switch should be an instant red flag.

Analysis that excludes advice fees is incorrect when the advice fee is typically an inseparable and material component of choice platform arrangements. In most cases, a member cannot be on a platform without an adviser[5] and the associated costs, in many cases – as identified by ASIC and APRA – can be very high.

ASIC's Report 781 (2024) showed over $990 million in advice fees were charged across more than 476,000 members in one year, and 70% of trustees assessed had members with advice fee deductions exceeding $15,000.[6] Some fee caps were as high as $20,000 or 5% of a member's super balance.[7]

ASIC's Report 833 (2026) sets out more of the same concerns. Advice fees of up to $25,000 are identified, while half of the 6 platform trustees assessed have effectively no caps on fees in place.

ASIC's report observed that:

– With few exceptions, advice fee caps were too high and poorly designed.[8]
– All except one trustee permitted some advice fee deductions for low-balance members.[9]
– It is "overwhelmingly disappointed with the lack of progress in key areas. These included [platform] trustees' oversight of advice fee deductions and fee-related conduct, and monitoring of holding limits and options on their investment menus. Overall, our review found that trustees are still not doing enough to protect members from harmful advice fee deductions and inappropriate investments on their platforms."[10]
– "…trustees of platform products set relatively higher advice fee caps to allow for the more complex nature of the advice required. This can also make it easier for excessive fees to be charged, relative to the service

[5] ASIC in REP 833, note: *"Platform products are complex, offering thousands of different options of varying levels of risk, concentration and liquidity, Due to this complexity, they are generally only available to investors with an adviser."* (p4, REP 833)

[6] ASIC REP 781, page 5.

[7] ASIC REP 781, page 6.

[8] ASIC REP 833, page 7.

[9] ASIC REP 833, page 6.

[10] ASIC REP 833, page 3.

provided."[11]

- They are concerned that some platform trustees may be prioritising their relationships with advisers, at unacceptable risk to members' retirement balances.[12]
- ASIC is concerned about 'inappropriate superannuation switching', whereby people are encouraged or pressured by an adviser to switch their superannuation balance from an existing fund into a different fund or a self-managed superannuation fund (SMSF) for little to no benefit to themselves. In these cases, the member's superannuation is sometimes invested in a platform product, where it may be easier for advisers to charge excessive advice fees, leading to balance erosion.[13]
- ASIC has concerns that some advisers and advice licensees "have been attracted to platforms due to the higher relative fee caps set by platform trustees". ASIC noted it had "seen examples of unscrupulous advisers taking advantage of platform trustees' settings to extract excessive fees from members without commensurate benefit".[14]

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[11] ASIC REP 833, page 4.
[12] ASIC REP 833, page 4.
[13] ASIC REP 833, page 5.
[14] ASIC REP 833, page 9.