media release

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# APRA fails to prioritise prudential risk

Australian Unions are calling for the Australian Prudential Regulatory Authority (APRA) to fix its priorities and crack down on predatory platform providers that destroyed workers' life savings.

The recent collapses of Shield and First Guardian destroyed over $1 billion in the retirement savings of 12,000 Australians. These dodgy investment products were provided to workers by superannuation trustees, such as Diversa Trustees, known to APRA to have insufficient governance arrangements. The failure of providers to meet their promises is the definition of prudential risk – something APRA ignored.

Instead of preventing poorly governed trustees from offering poorly overseen products, APRA was seemingly saving its resources to deliver an operational surplus and using the rest to issue statutory notices about other funds' sponsorship arrangements. This cost members their life savings.

Between 1 July 2021 to 31 December 2025, APRA directed more than ten times the resources to expenditure, such as sponsorships, as it did to investigating superannuation platforms and onboarding, issuing 124 statutory notices relating to trustee expenditure and only 10 information requests relating to onboarding and monitoring platforms.

This is despite the Australian Securities and Investments Commission (ASIC) prohibiting investment into Shield in February 2024 and First Guardian's responsible entity prohibiting investment in May 2024.

APRA seemingly did not ask questions about the unprecedented inflow of millions of dollars into Shield and First Guardian between 2021-2024 during which Diversa funds in First Guardian increased by 1,431% from $17.7 million to $271 million and Shield grew from $0 to $501 million through Equity Trustees and Macquarie.

To fulfill its mandate and identify risks proactively, APRA must look at the red flags in front of it. Instead, APRA was focusing more than ten times the resources on sponsorships, while predatory providers siphoned $1 billion out of Australians' savings.

**Quotes attributable to ACTU Assistant Secretary, Joseph Mitchell:**

"APRA is more than ten times more interested in a fund's marketing and sponsorship, than it is in preventing $1 billion being robbed from Australian workers' life savings by dodgy providers, according to its own data.

"Ordinary people, duped into pouring their life savings into dodgy products, have been devasted by this oversight. APRA's inattention to the genuine needs of ordinary people has cost workers their retirement.

"Senate Estimates testimony showed that APRA is still playing down its responsibility to ensure good governance of for-profit funds. APRA should be using its resources to safeguard Australians' life savings from predatory providers who seek to profit at workers' expense, instead of wasteful frolics.

“Working people demand more from the regulator than the political gamesmanship waged against high-performing, profit-to-member funds while the real threats to workers’ superannuation from the for-profit sector are ignored.

“Workers’ life savings are not something for big business, or anyone else, to profit off. Superannuation is an industrial entitlement which enables workers to retire in dignity, and it must be preserved, protected and grown to realise this objective for working people.

“Australians deserve a retirement income regulatory authority which does a proper job of monitoring and preventing predatory providers from destroying workers’ superannuation.”

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