

Submission by the Australian Nursing and Midwifery Federation

Enhancing member protections in the superannuation system

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**Australian
Nursing &
Midwifery
Federation**



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Introduction

1. The Australian Nursing and Midwifery Federation (**ANMF**) is Australia's largest national union and professional nursing and midwifery organisation. In collaboration with the ANMF's eight state and territory branches, we represent the professional, industrial and political interests of more than 356,000 nurses, midwives and care-workers across the country.
2. Our members work in the public and private health, aged care and disability sectors across a wide variety of urban, rural and remote locations. We work with them to improve their ability to deliver safe and best practice care in each one of these settings, fulfil their professional goals and achieve a healthy work/life balance.
3. Our strong and growing membership and integrated role as both a trade union and professional organisation provides us with a complete understanding of all aspects of the nursing and midwifery professions and see us uniquely placed to defend and advance our professions.
4. Through our work with members, we aim to strengthen the contribution of nursing and midwifery to improving Australia's health and aged care systems, and the health of our national and global communities.
5. The ANMF thanks the Department of Treasury for the opportunity to provide feedback on 'Enhancing member protections in the superannuation system: Consultation Paper' (**Consultation Paper**) through its consultation hub¹. The ANMF has a strong interest in the integrity and equity of the superannuation system. Our members deserve a retirement that is characterised by dignity, security, and financial independence.
6. The ANMF's membership is predominantly female, at more than 85% of our membership. Consequently, our perspective on superannuation reform is inseparably linked to the pursuit

¹ <https://consult.treasury.gov.au/c2026-756030>



of gender equity and the closure of the gender superannuation gap. Australian women currently retire with approximately 25% less superannuation than their male counterparts.² This disparity is driven by systemic factors including the gender pay gap, the prevalence of part-time and casual work in the care economy, and the disproportionate share of unpaid care work performed by women, which leads to significant career interruptions.

7. For ANMF members, every dollar of superannuation is 'hard-earned' and vital for their future. Therefore, any regulatory failure that allows for balance erosion, predatory fees, or catastrophic loss is not just a financial issue but a social justice issue.
8. The ANMF supports the broad objectives of many of the proposals outlined in the Consultation Paper. We believe that strengthening member protections is essential to maintaining public trust in the superannuation system and ensuring that the system fulfills its core purpose: providing a comfortable and dignified retirement for all Australians, regardless of their gender or occupation.

Strengthening governance and accountability

9. The ANMF strongly supports proposals in the Consultation Paper to uplift governance requirements for Platform Trustees and to increase penalties under the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*.
10. Typically, Platform Trustees are trustees that facilitate choice by offering a diverse range of investment options to both superannuation members and other investors. They have been around for several decades. Investors who use advisers will likely find their super invested via a Platform Trustee. Under this model, people choose what to invest, often on the recommendation of a financial adviser, from many choices.
11. ANMF members are typically 'default' members of industry superannuation funds, such as

² Schubert, Misha. "Women and superannuation: closing the gender super gap" *Super Members Council*, 16 April 2026
<https://smcaustralia.com/improving-superannuation/time-to-secure-a-dignified-retirement-for-more-women>
Accessed 22 May 2026.



HESTA or Aware Super, which operate under a profit-to-member model. However, as the superannuation landscape evolves, more members are being directed toward complex platform environments and member-directed investment options.

12. The recent collapses of the Shield Master Fund and First Guardian Master Fund highlight a dangerous regulatory gap where Platform Trustees may not be exercising the same level of rigorous due diligence as traditional trustees.

13. For an ANMF member, their superannuation trustee is a ‘fiduciary’ in the truest sense of the word. Members entrust their life savings to these entities with the expectation of prudent management. The ANMF believes that:

- (i) **Codified due diligence is essential:** Trustees must have a clear, non-negotiable legal obligation to perform exhaustive due diligence before onboarding a financial product.
- (ii) **Restricting conflicted arrangements is necessary:** We support restricting conflicted arrangements and rebates that may incentivise trustees to offer products that are not in the best financial interests of members.
- (iii) **Increased penalties are needed:** The current penalty regime under the SIS Act does not sufficiently deter misconduct by large financial institutions. Aligning SIS Act penalties with the *Corporations Act 2001* is a necessary step to ensure that the ‘price of doing business’ is not cheaper than the cost of compliance.

Protecting against balance erosion and predatory switching

14. The ANMF is concerned by the practice of ‘super switching’ when it is driven by conflicted financial advice or high-pressure sales tactics. For women in nursing and midwifery, who often have lower average balances due to the structural inequities mentioned above, the impact of a ‘bad switch’, characterised by higher fees or inappropriate risk, can be the difference between a dignified retirement and old-age poverty.



A. The Case for a Waiting Period

15. The ANMF supports the introduction of a mandatory waiting period for all inter-fund superannuation switches. Superannuation is a long-term investment; there is rarely a legitimate reason for a switch to be executed instantly at the point of sale. A short waiting period provides a critical circuit breaker, allowing superannuation fund members (who may have been pressured by an adviser or a digital prompt) to seek independent information or consult their existing fund. This is very important for protecting members from being moved out of high-performing, low-fee industry funds into higher-cost retail platforms.

B. Limiting Advice Fee Deductions

16. The ANMF has long advocated for measures that prevent the erosion of superannuation balances by unnecessary fees. We support limits on fee deductions for switching-related financial advice. Our members should not have their retirement savings raided to pay for ‘advice’ that simply facilitates a transfer of wealth from the member to a financial intermediary. If a switch is truly in a member’s best interest, the cost of that advice should be transparent, reasonable, and subject to strict trustee oversight.

Compensation for members: a safety net for fraud and theft

17. Perhaps the most critical proposal for the ANMF is the requirement for Platform Trustees to compensate members for losses resulting from fraud or theft.

18. Under the current system, if a member of a traditional fund loses money due to a trustee’s failure, there are pathways for redress. However, the “platform” model has often left members in a “regulatory no-man's land” when underlying investments collapse due to external criminal activity. The fact that over 11,000 Australians have **lost up to \$1 billion** in the Shield and First Guardian matters is a systemic failure that must be corrected.

19. The ANMF believes that:

- (i) **Trustee Responsibility:** If a trustee chooses to offer a product on their platform, they



must own the risk of that product being a vehicle for fraud. Trustees are the gatekeepers of the product. Eligible losses would be limited to financial losses arising from external fraud or theft that result in the collapse of an investment product.

- (ii) **Prefunded or Capital-Backed Redress:** Members should not have to wait years for court liquidations to see a cent of their stolen savings. A requirement for trustees to compensate members from their own capital or through a pre-funded mechanism would provide the security our members need.
- (iii) **Equity of Protection:** A fund member who is moved into a platform environment (often on the advice of a professional) should not have fewer protections against fraud than a member in a default industry fund.

Conclusion

20. Many of the proposals in the Consultation Paper represent an essential evolution of Australia's superannuation laws. For the nurses, midwives, and care-workers represented by the ANMF, superannuation is not a "financial product" to be traded; it is the deferred wages of a lifetime of service to the Australian community.
21. The ANMF urges the Australian Government to move swiftly to implement strong reforms. Strengthening platform governance, limiting balance erosion from switching fees, and ensuring a robust compensation mechanism for fraud will go a long way toward ensuring that the superannuation system works for the many, not just the few.
22. The ANMF remains committed to working with the Australian Government to ensure that every nurse, midwife and care-worker can look forward to a retirement free from financial anxiety and characterised by the dignity they have earned.