



Super Industry 2026

Platforms, protection, and the push to retirement

The industry's headline direction remains consolidation and scale, but the competitive battleground has shifted. In 2026, the funds that win will be those that convert scale into capability: retention, retirement delivery, and governance strength in an environment where member choice and regulatory scrutiny are both rising. In Super Industry 2026, we analyse last year's highlights, trends and areas of focus to forecast what the super industry can expect in 2026 and beyond.

The movement away from retail and toward industry funds after the Royal Commission seems to have run its course. Most industry funds are now experiencing declining net rollovers, benefiting a select group of retail funds, particularly those with platform investment offerings, while a steady leakage to SMSFs continues.

The collapses of the Shield and First Guardian master funds might have been expected to undermine confidence in platforms and SMSFs, but this has not been reflected in member behaviour to any great extent thus far.

This is an important signal: the market does not appear to be reacting to headline scandals by retreating to "safe" defaults. Instead, the market is continuing to reward perceived capability, especially where platforms bundle choice, advice ecosystems, and retirement tools. That is a structural competitive shift, not a temporary anomaly.

Continued growth of the 'Mega-funds'

Based on APRA annual fund-level superannuation statistics as at 30 June 2025, the number of mega-funds (assets exceeding \$100bn) increased to ten. CFS First Choice, CBUS, REST and HESTA joined that group over the year to 30 June 2025, as shown in figure 1.

Growth within the mega-funds in 2024 to 2025 was almost entirely organic, with the successor fund transfer of Qantas Super to Australian Retirement Trust the only merger activity of note in this group.

The contraction of small and medium funds continues, as shown in figure 2.1 and figure 2.2. The 57 funds with FUM below \$50bn at 30 June 2025 controlled less than 18% of assets, down from 72 funds holding 20% at 30 June 2024.

Figure 1: Superannuation funds with Funds under Management (FUM) over \$50 billion as at 30 June 2025¹



¹ Based on APRA's Annual Fund-level Superannuation statistics 30 June 2025 published on 16 December 2025 which excludes SMSFs, small APRA funds and Exempt Public Sector Superannuation Schemes.

Figure 2.1: Number of small, medium and large funds over five years²

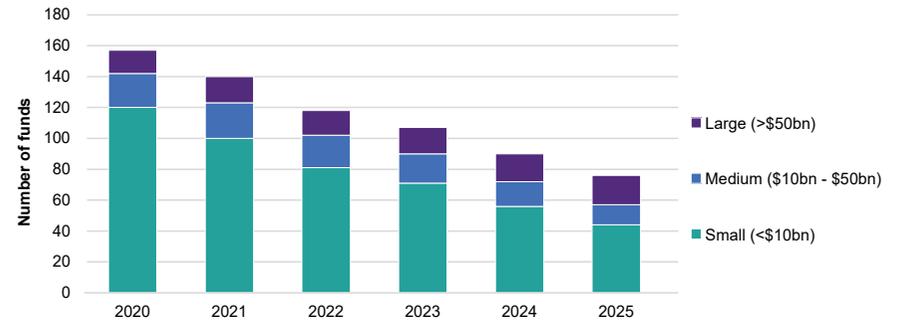
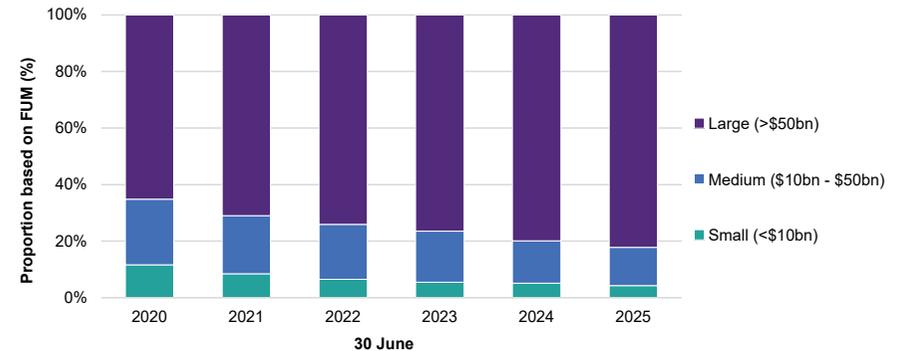


Figure 2.2: Proportion of assets held by small, medium and large funds over five years²



² Based on APRA's Annual Fund-level Superannuation statistics back series June 2004 to June 2025 published on 16 December 2025 which excludes SMSFs, small APRA funds and Exempt Public Sector Superannuation Schemes.

Our WTW team of experts has a deep understanding of the current state of the superannuation market and are ready to help you navigate all the important issues to ensure your fund's current and future success.

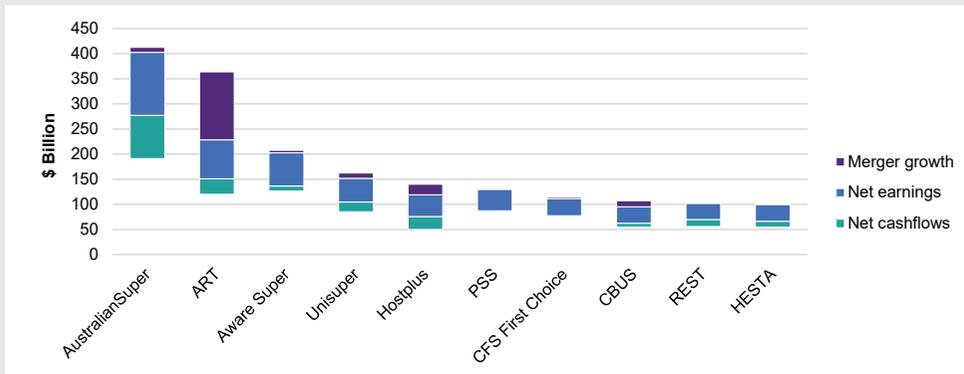
Merger momentum is changing shape

In 2024-25, merger activity shifted away from large funds integrating smaller peers and toward combinations among mid-sized funds, with notable completions including TWU Super with Mine Super and Spirit Super with Care Super.

Merger activity in 2025-26 is poised to slow, with only the CareSuper merger with the Meat Industry Employees' Superannuation Fund (MIESF) completed so far this year. The Telstra Super and Aware Super merger is the only other known merger expected to be completed by 30 June 2026 at the time of this article.

A slowing merger pipeline does not necessarily mean scale is less important. It means trustees are becoming more selective as the number of 'easy' merger targets reduces with the decline in the number of small and medium funds. As merger complexity increases, organic growth from net cashflows and, to a lesser extent, net earnings become cleaner measures of whether the fund's proposition is working. **Figure 3** illustrates that there has been a spread of net cashflow growth across all the largest funds, independent of the level of merger activity over the past five years.

Figure 3: Growth from 30 June 2020 to 30 June 2025 for the 10 largest fund²



² Based on APRA's [Annual Fund-level Superannuation statistics](#) back series June 2004 to June 2025 published on 16 December 2025 which excludes SMSFs, small APRA funds and Exempt Public Sector Superannuation Schemes.



Organic growth is increasingly market driven, not demographic

Strong returns in 2024-2025 contributed materially to organic growth, but an emerging pattern is declining net cashflows at the top end. The cashflow ratio fell in 2024-2025 compared to 2023-2024 for eight of the top ten funds, with only Aware Super and CFS First Choice bucking the trend.

The deterioration was broader across industry funds. Among all industry funds, only Aware Super³, legalsuper and REI Super maintained or improved the cashflow ratio compared to the prior year, as shown in **figure 4**.

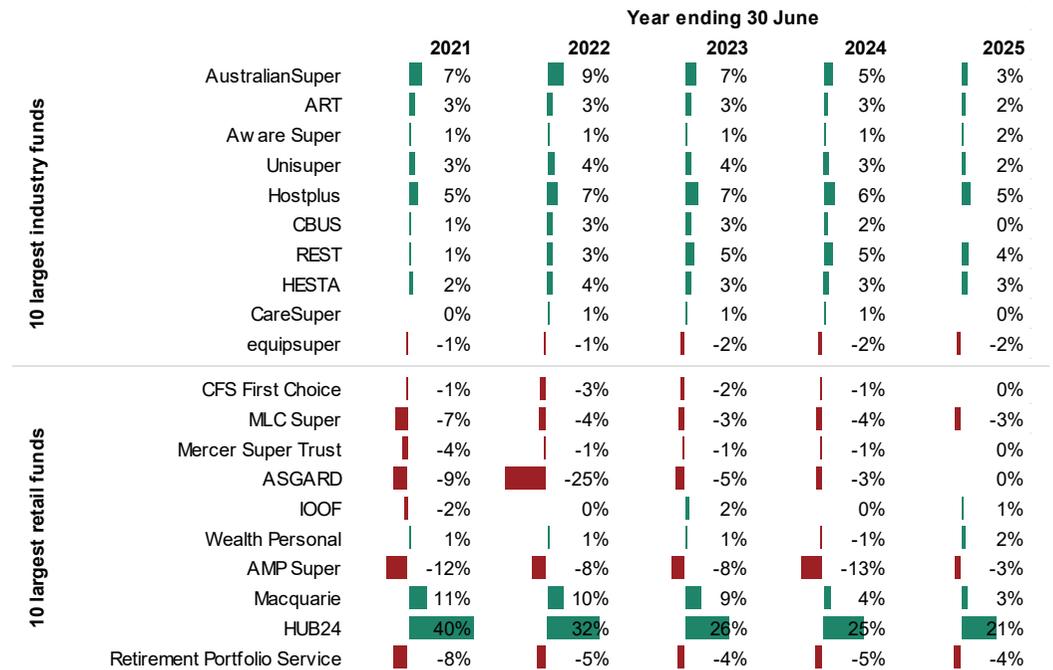
It is noteworthy that legalsuper and REI Super are two of a small handful of funds which remain deeply aligned to a single industry. The trend may indicate that the industry-specific engagement that these specialist funds offer is allowing them to hold ground where their larger peers are losing it.

The decline is primarily driven by a deterioration in net rollovers, indicating member choices are driving the movement rather than maturation of the existing membership. The beneficiaries of these member choices are a selection of retail funds, in particular those with platform investment offerings, with funds including HUB24 and Netwealth generating strong organic growth driven by inward rollovers, and AMP Super showing improvement in member retention with a reducing level of outward rollovers.

The most notable drop in cashflow position was AustralianSuper, with the industry leader experiencing negative net rollovers in the year to 30 June 2025. Nonetheless, AustralianSuper remains in a strong positive cashflow position, positioned third among the top ten largest funds behind Hostplus and REST.

³ While Aware Super is classified as a Public Sector fund in published APRA statistics, we have included it with industry funds as a more comparable peer group.

Figure 4: Cashflow ratio from 30 June 2020 to 30 June 2025 for the 10 largest industry and retail funds²



² Based on APRA's Annual Fund-level Superannuation statistics back series June 2004 to June 2025 published on 16 December 2025 which excludes SMSFs, small APRA funds and Exempt Public Sector Superannuation Schemes.

The small but steadily increasing outflow of members to SMSFs continued in 2024-25, with a net of 0.3% of total industry FUM lost to self-managed funds, up from 0.2% in 2023-24. All industry funds experienced net cashflows out to SMSFs, with a mix of experience across retail funds. Again, HUB24 was a notable standout, increasing FUM by 1.6% from net inflows from SMSFs across the year.

This pattern suggests the market is segmenting:

- Platforms are increasingly the destination for members seeking choice, strategic advice, and retirement tools.
- SMSFs continue to attract a small but steady flow, often influenced by advice channels.
- Traditional “one menu fits all” propositions face a retention challenge among higher engagement cohorts.

For trustees, a strategic decision is required: compete head-on with platforms, partner with them, or deliberately focus on segments where you can deliver superior outcomes with a curated model.

How does the future look?

FUM Rankings

Figure 5.1 lists the top 30 APRA-regulated superannuation funds at 30 June 2025¹. Using the WTW Fund Navigator™ model, the membership, assets and cashflows of each fund have been projected for the five years following 30 June 2025, as shown in **figure 5.2**. Funds that have merged, and those that have announced mergers since 30 June 2025, have been consolidated in the five-year projection. Funds that have wound up since 30 June 2025 and funds with significant data not disclosed in the publication have been removed.

These projections are based on several assumptions regarding economic outcomes and member behaviour. Cash flow assumptions such as contribution levels, fees and insurance premiums, along with demographic assumptions (e.g. member movements including exits, transfers and new entrants) have been derived from APRA data, supplemented by other data published by the Australian Bureau of Statistics (ABS). Importantly, these projections account solely for organic growth and do not factor in potential unknown mergers.

What’s changed from last year

Looking back to the WTW Fund Navigator projections from 30 June 2024, the 30 June 2025 picture looks largely as expected, with Hostplus having moved up to 5th in the fund rankings, and REST exceeding expectations by moving up three ranks to 9th rather than the projected two ranks. CFS First Choice held its position in 7th where it was previously projected to slide, largely driven by an improved cashflow position – it moved back into positive cashflow territory in the year ending 30 June 2025 having been negative for a number of years prior.

Consistent with the WTW Fund Navigator results from 30 June 2024, Rest, HESTA and Hostplus are still expected to be significant beneficiaries of organic growth. Rest is projected to move up a further three positions, from 9th to 6th in the fund rankings, over the next five years, whilst HESTA will likely move up the ranks to jostle with CBUS for the 7th position. With continued strong organic growth, AustralianSuper is expected to remain Australia’s largest superannuation fund in five years’ time and if anything, increase its dominance of the industry.

Recalibration of the WTW Fund Navigator assumptions for the improved cashflow position of a number of retail funds including CFS First Choice and Wealth Personal means that these funds are now projected to hold steady or lose less ground compared to the drops projected last year. HUB24 remains the notable standout, projected to climb ten positions over the next five years based on their current strong organic growth.

This follows a climb from 25th to 21st over the two years to 30 June 2025. Other notable retail funds on the rise include Netwealth, which is expected to rise five positions to break into the top 20 funds over the next five years.

The WTW Fund Navigator also enables us to look at how shifting demographics might drive the priorities for funds over the near future. With a projected increase in the proportion of assets held in retirement phase from 22% to 27% over the next five years, the output supports the notion that retirement will increasingly hold the focus of funds wanting to maintain scale.

Figure 5.1: Fund Rankings at 30 June 2025

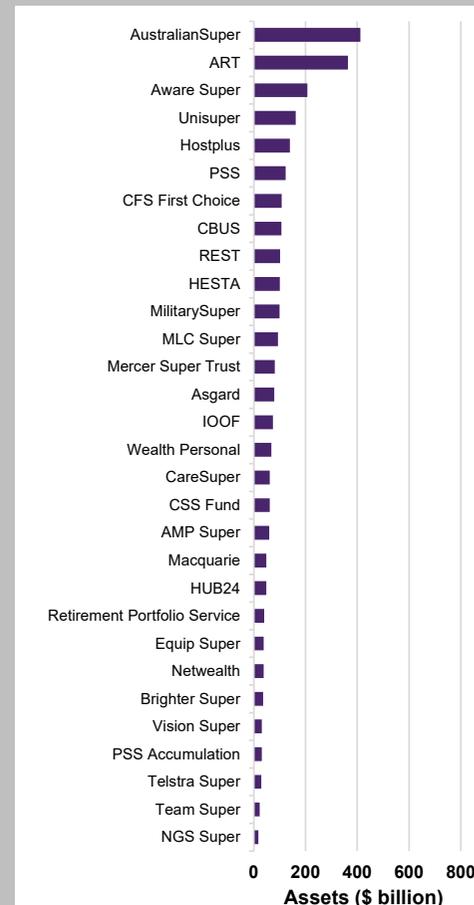
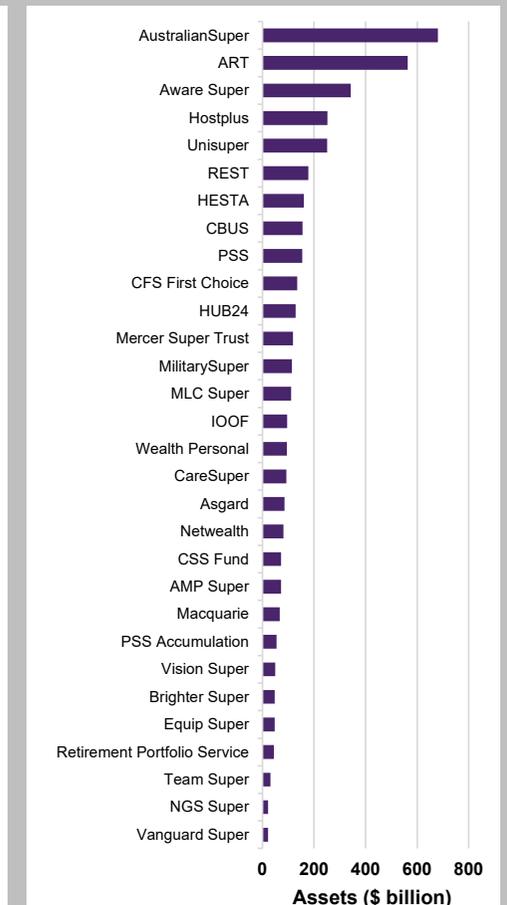


Figure 5.2: Projected Fund Rankings in five years



¹ Based on APRA’s Annual Fund-level Superannuation statistics 30 June 2025 published on 16 December 2025 which excludes SMSFs, small APRA funds and Exempt Public Sector Superannuation Schemes.

Where to from here?

The slowdown of merger activity does not necessarily signal a loss of appetite for scale. If anything, it reflects a more selective and strategic approach. Many trustees continue to view mergers as an important lever in long-term strategic planning, even as the shape of consolidation evolves.

With the sharp decline in the number of small funds over the past five years, combined with the costs and complexity of successor fund transfers, the strategic positioning of mergers is moving away from large funds absorbing smaller peers, and towards mergers of equals, or at least closer equals. These transactions demand deeper strategic alignment and a clearer view of what success looks like beyond day one. Strategic positioning requires funds to look well beyond size and headline synergies to improved member outcomes and long term sustainability. Key considerations include:

- **Purpose and culture:** alignment in ethos, values, culture and decision-making approach
- **Governance:** board structure, industry and union alignment and involvement, and license arrangements
- **Product complexity:** defined benefit arrangements, platforms or direct investment products, retirement income and longevity solutions, insurance design and investment offerings.

Alignment of existing products, or the expansion of product offerings, can be to the benefit of members, but the existence of legacy products can also lead to additional complexity and cost in the merger process.

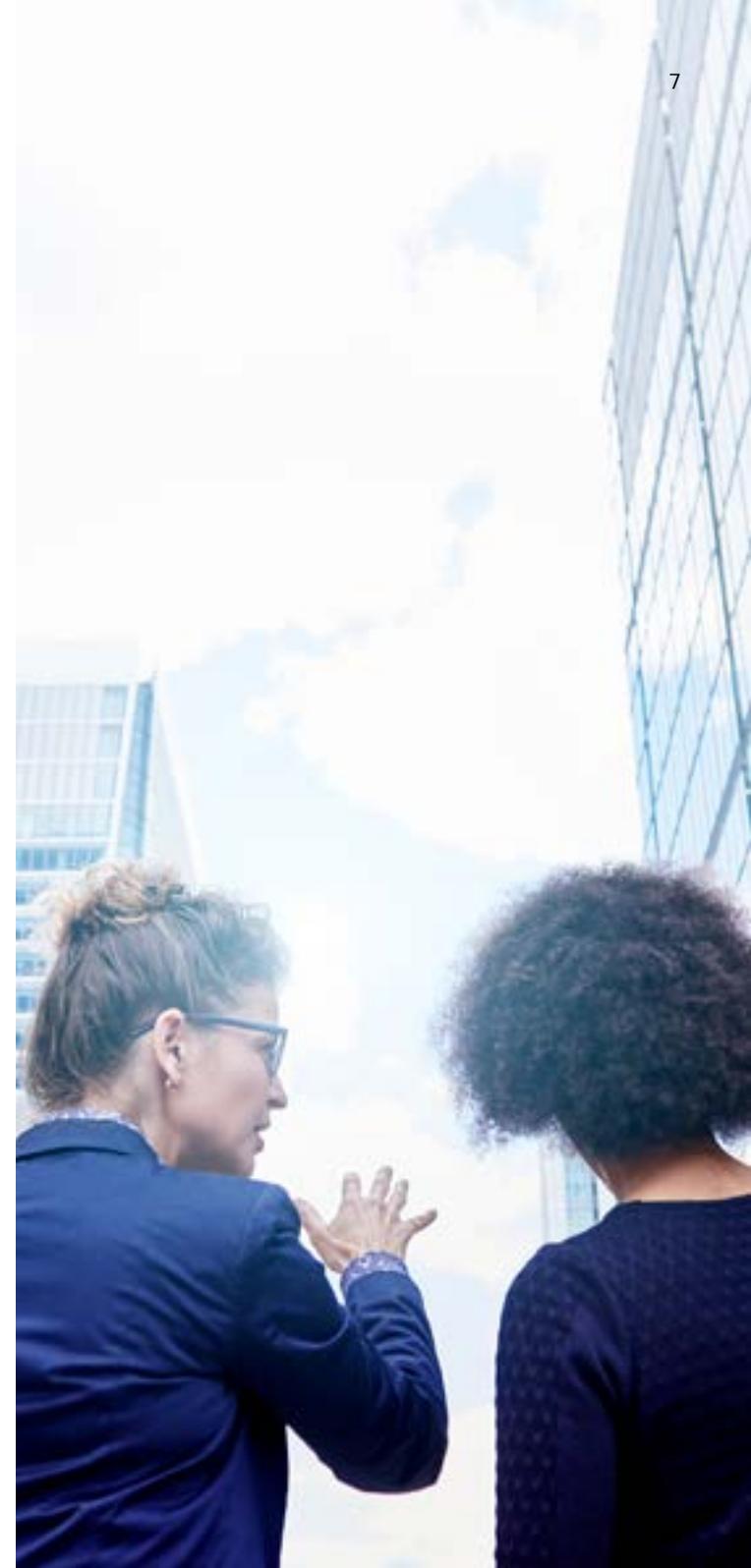
- **Financial sustainability:** net cashflow trends, net member movements, reserves, and expenditure and fee structures
- **Member demographics:** age profile, average balances and the mix of accumulation and retirement benefits
- **Operational alignment:** administrators, custodians, insurers and other critical service providers.

For trustees undertaking a merger, experienced advice can materially reduce execution risk and help unlock long-term value.

Merger strategy in 2026 should be framed as operating model strategy. The largest value is rarely captured through headline “synergies” alone. It is captured when a merger enables:

- Improved member outcomes
- Product simplification (fewer legacy tails)
- A single coherent servicing model (e.g. through technology and data integration)
- A unified retirement pathway
- Improved governance and decision making
- Reduced cost to serve.

Mergers that preserve complexity simply create larger complexity. With over 20 years of experience and close to 100 transitions completed, WTW brings deep practical insights across all phases of a merger. We recognise the key issues that trustees must focus on to ensure long-term strategic success.



Are trustees doing enough to protect members from platform risks?

The collapses of the Shield Master Fund and First Guardian Master Fund have cast a long shadow over the superannuation industry this year. With over \$1 billion of member funds now locked up and more than 12,000 investors affected, the repercussions have been felt well beyond the immediate circle of those invested, with legal proceedings commenced against several parties including fund trustees, advisers, and research houses, and investigations ongoing. The fallout has highlighted the critical role of trustees in safeguarding member interests, especially when it comes to investment options offered through platforms.

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Think of it like you're a supermarket. Sure, you're not responsible for overseeing the production of everything you sell, or the day-to-day management of the companies that make them – but you are expected to check that the product is fit for purpose, because you have chosen to put them on your shelves.

Joe Longo, ASIC Chair

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ASIC's investigations have revealed that many investors were introduced to these schemes by lead generators and advisers, often recommending members roll over their super into platforms or establish SMSFs to facilitate the investments. ASIC has highlighted the critical role that superannuation platform trustees play as gatekeepers – not just in offering a diverse range of investment options, but in ensuring those options and products are fit for purpose and subject to robust due diligence.

ASIC's message is clear: trustees cannot simply rely on the reputation of product issuers or the advice of external parties. Instead, they must have processes in place to scrutinise new investment options, monitor ongoing suitability, and respond swiftly to emerging risks.

APRA, for its part, has completed a thematic review into the quality and soundness of trustees' governance and oversight of investments offered via platforms. This review focused on due diligence, onboarding, monitoring, and removal of investment options, as well as strategic planning and practices to promote member outcomes. APRA expects trustees to have effective systems for onboarding, monitoring, and, where necessary, removing investment options, and to be able to demonstrate that their processes genuinely promote positive member outcomes.

Now is the time for trustees to review their investment governance frameworks, particularly around platform offerings and similar arrangements. Trustees should ensure that their due diligence processes are robust, well-documented, and regularly tested, and that they are actively monitoring for signs of member detriment.

WTW Retirement and Investment teams have combined their expertise to offer a third-party review of these types of arrangements, including a review of internal policies, processes and procedures, risks and controls, investment governance, monitoring and reporting, disclosure, and review of the appropriateness of available investments.

Is the Industry ready for the retirement income challenge?

The retirement income challenge has been a recurring theme in the past two years' reviews, raising the question of whether this would finally be the year that attention shifts to retirement. Developments throughout 2025 now suggest that this shift in focus may indeed be underway.

Government and regulators are raising the bar

Treasury has released guidance on best practice principles for retirement income solutions, signaling a clear expectation that funds must do more than simply offer account-based pensions and lump sums. The best practice principles encourage funds to segment their retiring members into cohorts and ensure that each cohort has access to a retirement income solution, and that at least one retirement income solution includes a lifetime income product that has regard to likely Age Pension eligibility.

APRA is collecting more granular data on the take-up and performance of retirement income products and will soon require funds to report on metrics such as annuity take-up, drawdown rates, and efficiency of converting super balances into retirement income. APRA has made it clear that while not every fund must offer every product, trustees must be able to demonstrate that their retirement income strategies are genuinely improving member outcomes. Treasury has also recently confirmed the final design of the new retirement reporting framework that will support APRA's monitoring.

Additionally, APRA has commenced a second round of consultation on modifications to its capital framework for longevity products, including annuities. The updated proposals include a shift towards a more principles-based approach for determining capital requirements, informed by industry feedback.

If implemented, these changes could reduce barriers for superannuation funds to offer in-house longevity products and may help revive Australia's historically underdeveloped market for life insurers in the longevity space.

ASIC, meanwhile, is focused on ensuring that members receive clear, accessible information and guidance as they approach retirement and is encouraging funds to provide targeted prompts and tools to help members understand their retirement income needs and the options available to them, including the benefits and risks of annuities and other innovative income streams.

How is the industry reacting?

Findings from the 2025 APRA-ASIC Retirement Pulse Check reinforce that a clear divide is emerging between funds that are merely complying with the retirement income covenant and those demonstrating genuine leadership. APRA and ASIC observe that more advanced licensees are embedding retirement as a core strategic priority, investing in deeper member understanding, tailored guidance and a broader suite of retirement income solutions, including innovations in product design, pricing and member support.

Retail funds, with a higher proportion of member benefits held in the pension phase (38% at 30 June 2025 versus 12% for industry funds), have tended to be the leaders with AMP now offering their Lifetime Boost product as a default for certain members and major platforms including CFS First Choice, NetWealth and HUB24 including access to lifetime annuities through their investment menus.

It may not be a coincidence that these same funds have also been noted as having improved member cashflows over the year to 30 June 2025.

While industry funds in general have lagged in progress, UniSuper – which leads the industry funds with almost a quarter of member benefits in retirement phase – and ART both offer lifetime pension products with longevity protection to their members.

This area is unlikely to remain static, with the APRA-ASIC Pulse Check reporting more than half of the surveyed licensees are planning enhancements to existing retirement products by 30 June 2026, and over a third intending to review current offerings or introduce new products specifically to address longevity risk.

The combined effect of these government and regulatory initiatives is a significant uplift in expectations. Funds that fail to engage with the rapidly changing environment risk being left behind as both regulatory scrutiny and member expectations continue to rise. The challenge is not just to develop new products, but to ensure that they are well understood, accessible, and genuinely improve retirement outcomes.

The WTW Retirement team has developed an innovative retirement outcomes framework to help trustees design, develop, and assess their retirement income strategies and products. This flexible framework focuses on retirement-related member outcomes and incorporates both member preferences and multi-dimensional cohort analysis.

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About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.



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