

REGULATION

APRA preparing governance report in wake of Shield, First Guardian collapses



John Lonsdale



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The Australian Prudential Regulation Authority is preparing to release the results of a “big, deep dive” into the governance of superannuation platforms in the wake of the collapse of the Shield and First Guardian managed investment schemes.

[SAVE ARTICLE](#)

APRA chair John Lonsdale said that while APRA is not the front-line regulator of managed investment schemes, it has identified some “very concerning” issues in some circumstances where schemes appear on super platforms.

He said APRA is supporting ASIC in its investigation into the Shield and First Guardian collapses, and APRA’s review will include the role of researchers in determining how products are added to and removed from platforms.

Speaking at the release of APRA’s FY26 corporate plan on Thursday morning, Lonsdale said ASIC is “looking very closely at those sets of issues, and they’re very concerning sets of issues; where they show up for us is on superannuation trustee platforms”.

“We have a body of work happening there,” he said. “We flagged...when we did the performance [test] review...in 2023 that we had some concerns with platforms. We’ve done a big, deep dive on that, and we will come out with some results soon.

"But we've had a particular focus across nine trustees. I think it's 95 per cent of the products [on platforms], it's a big suite of products. We focused particularly on how these products get on the platforms and importantly, how they get off; and secondly, what is the role of third-party reviewers in this whole process."

Lonsdale said the regulator is focusing "particularly at the front end on investment governance, and we will come out with some important findings".

"But one of the important things that we're finding is there's actually too much variability in the governance on these products, so we will have some recommendations on that front."

Lonsdale declined to comment specifically on the governance of Shield and First Guardian.

"What I'm talking about is there's a broader issue here, and that's one set of issues where it shows up; but there's a broader issue on platforms that we are looking at, and we will have some things to say on that," Lonsdale said.

"But on Shield and First Guardian in particular, they are issues that ASIC are looking at. We're trying to be supportive, as you'd expect the two regulators to be, but they are looking at the value chain of what's happened here."

ASIC has been investigating the due diligence role platforms played in hosting the Shield and First Guardian funds and chair Joe Longo has expressed desire for more regulatory power to collect more data from managed funds to improve oversight.

Investigations commenced into the Shield and First Guardian schemes due to concerns over conflicts of interest in the management of the funds, as well as the investments being higher risk than they were labelled.

Several advisers and licensees are being investigated due to allegations lead generation services were used to push consumers into high-risk products that didn't take their personal circumstances into account, with the lead generators receiving commissions for successful conversions.

The corporate regulator previously disclosed it has more than 40 investigators working across Shield and First Guardian and has been in court more than 40 times on the matter.

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