



Early access a big regret

With calls for better early access to superannuation back in the political spotlight, research shows almost half of those who have tapped their retirement savings have come to regret it.

A survey of more than 1000 Australians found almost one in four people had withdrawn money from their super stash.

Medical expenses were the most common reason, with 9 per cent accessing their super to pay for treatment. Another 9 per cent withdrew funds for other reasons, while 8 per cent say they took out money under special early access provisions during the COVID-19 pandemic.

Four per cent of those who took part in the study by comparison site Finder admit they used their super to help fund a home deposit.

But, alarmingly, 43 per cent of those who accessed their super early say they regret doing so.

Finder's Sarah Megginson said early access to super could provide much-needed relief in an emergency but it came with a hidden long-term cost.

"Every dollar you withdraw today is a dollar that misses years — sometimes decades — of compound growth," Ms Megginson said.

"What feels like a short-term solution can leave you significantly worse off in retirement, particularly if you access your super while you're still relatively young."

The study found 11 per cent of people say they are considering accessing their super early but Ms Megginson said it should be a last resort.

Funds play catch-up

Superannuation funds have recovered from a lacklustre start to the new financial year, posting modest gains for the first seven weeks of 2026-27.

After delivering gains of 9.5 per cent last financial year, funds were initially off to a modest start this year with the median growth fund — with between 61 and 80 per cent allocated to growth assets — up just 0.3 per cent in July.

But with markets posting solid returns in August so far, super research house Chant West estimates the same weighted fund is up 1.3 per cent to date.

Chant West head of superannuation investment research Mano Mohankumar said markets were mixed during July with significant variation in returns across regions.

"Australian shares, on the other hand, were up a healthy 2.1 per cent over the month supported by the financials and resources sectors, as well as the markets' relatively low tech and AI-related exposure," Mr Mohankumar said.

"Bonds weakened with Australian and international bonds falling 0.4 per cent and 0.9 per cent, respectively, as bond yields rose on renewed inflation concerns."



Mortgage myths that leave you worse off

From takeaway spending to deposits and home equity, these are the home loan rules borrowers still get wrong

RYAN JOHNSON

Borrowers are making costly financial moves based on home loan rules that no longer necessarily apply.

Mortgage and finance specialist Bianca Patterson said much of the home loan folklore passed around by family, friends and online was outdated, only partly true or simply wrong for the borrower in front of the bank.

Some can leave people worse off before a lender has even run the numbers.

Will Uber Eats sink my home loan?

"I regularly hear borrowers worried that a few discretionary transactions or ordering Uber Eats will mean they will be declined," said Ms Patterson, director of Inglewood-based Calculated Lending.

"But lenders look at your overall financial conduct, income, expenses and position, not the occasional takeaway order."

More damaging can be what nervous borrowers do next.

"Some pay out a car loan or close other debts because they think they need to, only to find those commitments weren't limiting their borrowing capacity," Ms Patterson said.

"They may then have reduced the savings available for their home deposit."

Do I really need a 20 per cent deposit?

Twenty per cent has long been the magic number because

buyers with a smaller deposit can be charged lenders mortgage insurance, which protects the lender, not the borrower, against losses if the borrower defaults.

But it is a benchmark and not a ticket through the front door.

Eligible first-homebuyers can use the Australian Government's 5 per cent deposit scheme without paying LMI.

In WA, eligible homes are capped at \$850,000 in Perth and \$600,000 elsewhere.

On an \$800,000 home, the gap between a 20 per cent and 5 per cent deposit is \$120,000 before buying costs.

Family guarantees and occupation-based LMI waivers can also help some borrowers buy sooner.

Ms Patterson said the harder question was whether waiting to avoid LMI actually left a buyer better off.

"I also regularly hear that you should never pay LMI," she said.

"While it is great to avoid where possible, over the past five years in Perth, property prices have increased faster than someone on an average income could save."

That comes as Perth dwelling values jumped 91.4 per cent

in the five years to May, according to Cotality.

"For some borrowers, saving to avoid LMI has put them further behind than purchasing with the deposit they had and paying it," Ms Patterson said.

Can I trust an online borrowing calculator?

Online calculators are useful for a rough guide, but Ms Patterson warns the figure is only as good as the information entered and assumptions behind it.

"Borrowers don't always know what they don't know," she said.

Ms Patterson said borrowers may enter only their base wage without realising a lender could also use some overtime, allowances or bonuses.

Conversely, some income may be discounted or excluded, while credit limits, existing loans, dependants and costs such as private school fees can also affect how much they can borrow.

The number on screen can look very different once a lender starts asking questions.

I've got equity. Isn't it mine to use?

A home worth \$900,000 with a \$500,000 mortgage has \$400,000

of equity. That does not mean \$400,000 is sitting there ready to withdraw.

Equity is simply the difference between a property's value and the debt secured against it. Useable equity is what a lender is prepared to let the owner borrow against.

"You can have significant equity and still not qualify to access it," Ms Patterson said.

The lender still has to assess whether the borrower can afford the extra debt.

"If approved, the money released is a loan that needs to be repaid," she said.

Surely the lowest rate is the best deal?

Not necessarily, said Ms Patterson: "The interest rate is important, but the lowest rate doesn't necessarily mean the lowest-cost or best loan for you."

Fees and features can change the maths. A slightly higher rate with no ongoing fees may cost less on a smaller loan, while an offset account can be worth more to someone who keeps substantial savings in it.

"A very attractive rate for the first year may revert to a much higher rate, and refinancing again isn't guaranteed," Ms Patterson said.

Borrowers would need to qualify again under the new lender's rules and borrowing-capacity test, as well as wear the cost of refinancing.

"There isn't a question that hasn't been asked before, and making assumptions can be costly," she said.

For some borrowers, saving to avoid LMI has put them further behind than purchasing with the deposit they had and paying it.