

Monday, 25 February 2019

Industry Superannuation Funds increase lead in satisfaction with performance

New data for 2019 shows that over the last 12 months industry super funds increased their lead over retail funds for member satisfaction. In January 2019, industry super funds scored 62.1% satisfaction with financial performance, well above retail funds with 57.3%. This latest lead in satisfaction to industry funds of 4.8% points is an increase from the 1.6% point's lead they held 12 months ago.

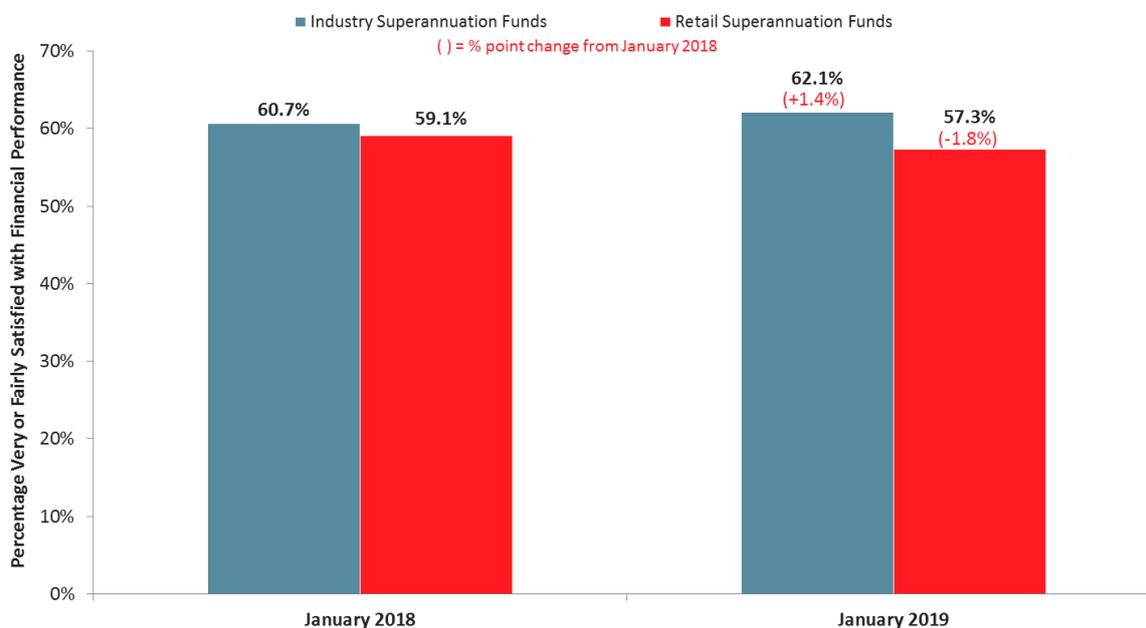
These results are from the newly released Roy Morgan 'Satisfaction with Financial Performance of Superannuation in Australia January 2019' report. The data in this latest report represents some of the findings from Roy Morgan's Single Source survey which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes, including over 30,000 with superannuation. Results presented here are based on interviews conducted in the six months to January 2019.

Satisfaction with retail funds declining

In the six months to January 2019, the average satisfaction for retail funds was 57.3%, a decrease of 1.8% points from the same period 12 months ago (59.1%). Over the same period, industry funds improved by 1.4% points from 60.7% in 2018 to 62.1% in 2019.

In 2018 satisfaction with retail funds was 1.6% points below that of industry funds and this gap has now increased to 4.8% points.

Satisfaction with Financial Performance of Superannuation - Retail Funds vs Industry Funds



Source: Roy Morgan Single Source (Australia), August 2017 - January 2018, n = 23,945; August 2018 - January 2019, n = 24,895.

Base: Australians 14+ with superannuation

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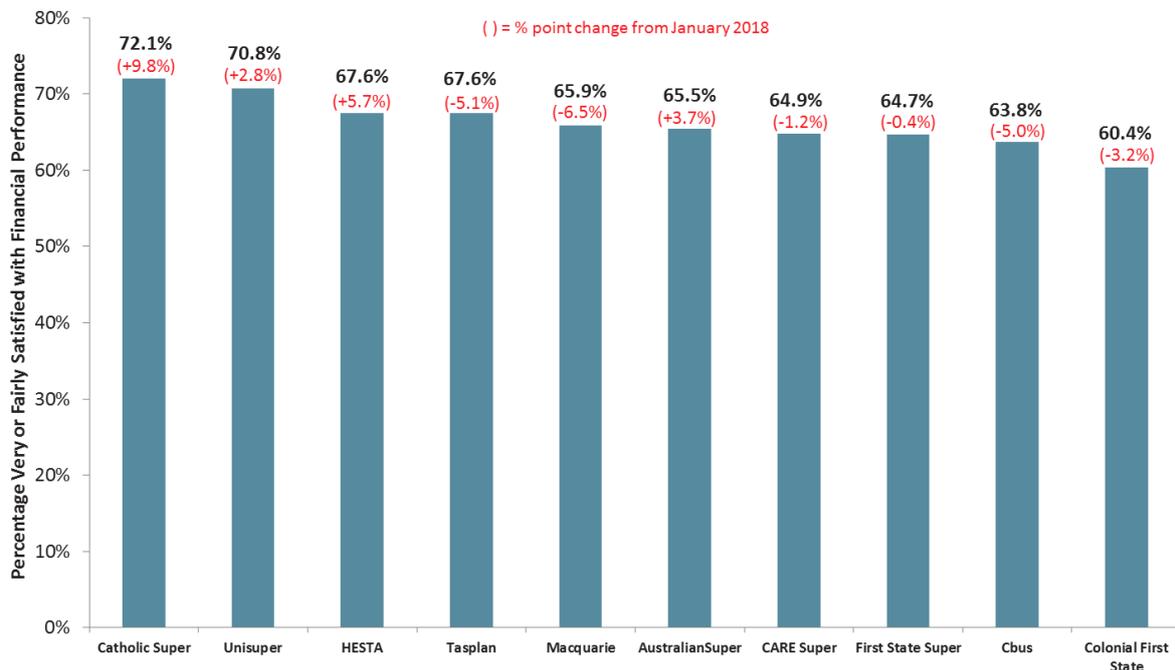
Industry funds dominate the top ten performers

In January 2019, eight of the top ten performing retail and industry funds, based on satisfaction with their financial performance, were industry funds. The highest rating was for Catholic Super with 72.1%, followed by Unisuper on 70.8%. The only two retail funds to make it to the top ten were Macquarie with 65.9% and Colonial First State on 60.4%. The top ten are by no means a uniform group, ranging from 72.1% down to only 60.4% for Colonial First State.

The lowest satisfaction for major super funds beyond the ten best performers was AMP (50.0%), Suncorp (51.5%) and MLC (51.8%).

The following chart shows that the biggest improvements in satisfaction among the top ten over the last 12 months were from Catholic Super (up 9.8% points), HESTA (up 5.7% points) and AustralianSuper (up 3.7% points). The funds showing the largest declines in satisfaction were Tasplan (down 5.1% points) and Cbus (down 5.0% points).

Satisfaction with Financial Performance of Superannuation: Top 10 Performers Retail and Industry Funds



Source: Roy Morgan Single Source (Australia), August 2017 - January 2018, n = 23,945; August 2018 - January 2019, n = 24,895.

Base: Australians 14+ with superannuation

Norman Morris, Industry Communications Director, Roy Morgan, says:

“An important consideration in determining which superannuation funds will be in the top ten as proposed by the Productivity Commission, is that with market fluctuations they are subject to regular changes or re-ranking. As superannuation is a very long term process, it is likely that over a number of decades there will be a large number of ranking changes. This will increase uncertainty and confusion in member choice in an industry that already lacks member engagement. It is more likely that members want a simplified system rather than one subject to continuous change and decision making.”

“This research shows that fund member ratings should be taken into account as input in determining the top ten, as they have the final decision on choice of fund. The overall assessment of satisfaction of satisfaction with financial performance by fund members clearly ranks the industry funds ahead of retail funds, similar to the pattern seen in published performance tables but this survey has the added advantage of being able to understand more about the members behind the ratings. Detailed profiling and understanding of particular consumer segments is a major strength of our data.”

“The data used in this release only covers a small part of the in-depth information we have been collecting from superannuation members over the last two decades. To understand more



holistically about superannuation and how it fits in with all the other consumer financial products, ask Roy Morgan.”

To learn more about Roy Morgan’s Superannuation data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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