

Friday, 27 July 2018

Industry Superannuation Funds show greatest gains in satisfaction

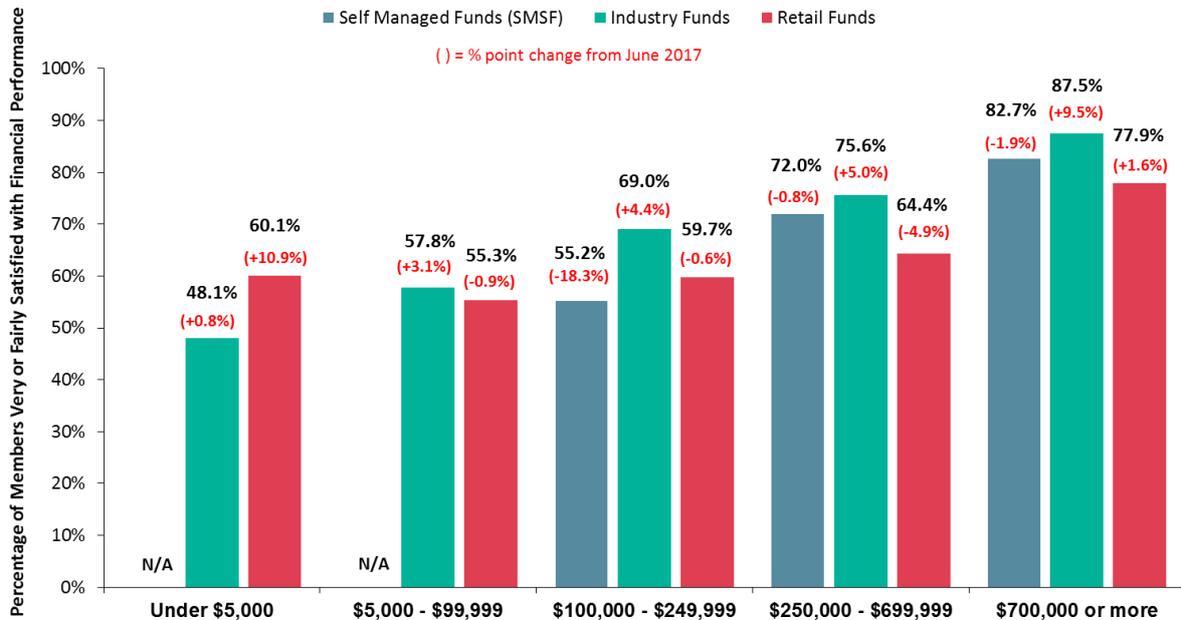
New results from Roy Morgan shows that in the six months to June 2018, industry superfund members with balances over \$5,000 had higher levels of satisfaction with their fund's performance compared to those with retail and self-managed fund (SMSFs). Even among members with balances of \$700,000 or more industry super funds are well ahead with a satisfaction level of 87.5%, compared to only 77.9% for retail funds and 82.7% for SMSFs. This high balance segment is particularly significant as it accounts for over a quarter (26.3%) of total superannuation funds and yet has only 4.6% of superannuation members.

These are the latest findings from Roy Morgan's '[Satisfaction with Financial Performance of Superannuation in Australia Report June 2018](#)' 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.

Industry Funds show best gains in satisfaction

Over the last 12 months, industry funds showed gains in satisfaction across all balance segments, with the best performance being a gain of 9.5% points in the over \$700k group, followed by 5.0% points in the \$250k to \$699k segment and 4.4% points for the \$100k to \$249k segment. Self-managed funds had losses in satisfaction in all of these important groups, with the greatest decline being 18.3% points in the \$100k to \$249K bracket. Retail funds major gain was 10.9% points in the under \$5k segment and 1.6% points in the \$700k and over segment, with the other segments showing losses.

Satisfaction with Financial Performance of Superannuation Funds



Source: Roy Morgan Single Source (Australia), six months to June 2017, n = 25,155; six months to June 2018, n = 25,051.

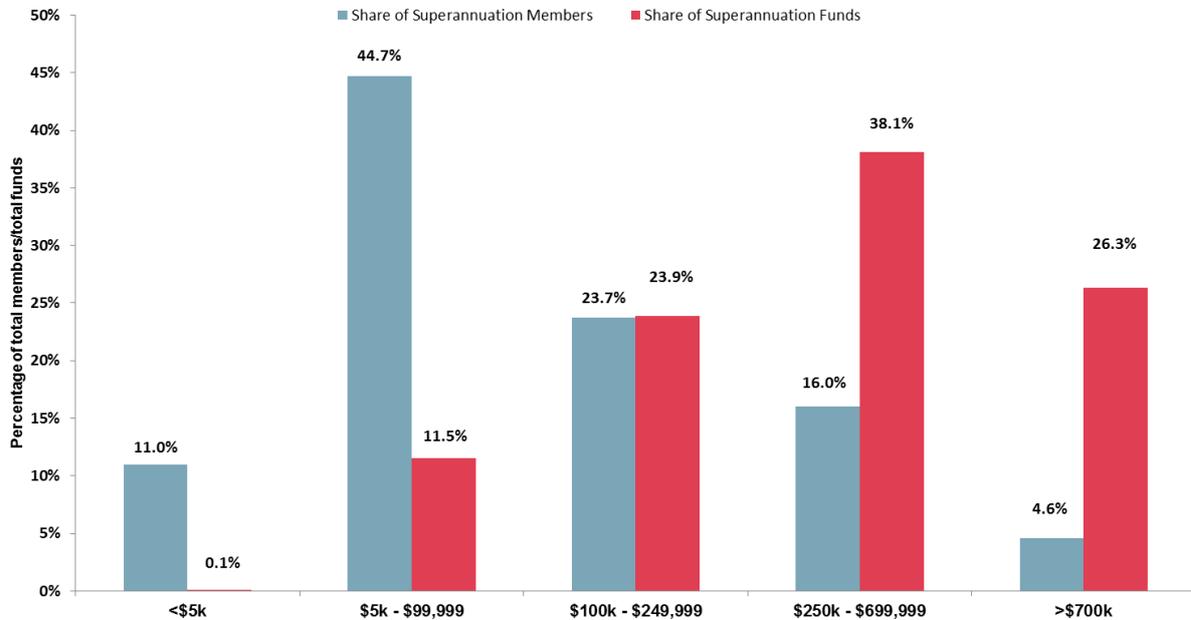
Base: Australians 14+ with superannuation, six months to June 2017, n = 15,625; six months to June 2018, n = 15,479.

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Heavy skew in the superannuation market must be considered

Although retail funds have the highest satisfaction among the low balance members, the significance of this should be measured against the funds held in this segment. The accounts holding under \$5k represent only 0.1% of the total market value of all superannuation funds. By contrast, at the other end of the market, in the \$250k plus segment there are only 20.6% of fund members but they hold nearly two thirds (64.4%) of the total market value. As a result of this skew we can see that improving satisfaction scores among the high balance customers will offer much greater growth potential.

Share of Superannuation Members Compared to Superannuation Funds



Source: Roy Morgan Single Source (Australia), six months to June 2018, n = 25,051
Base: Australians 14+ with Superannuation, n=15,479

Norman Morris, Industry Communications Director, Roy Morgan says:

“The superannuation sector is currently receiving a great deal of adverse publicity in the finance Royal Commission, particularly in relation to fees, advice, minimum balances for self-managed super, industry funds etc. The extensive publicity given recently to the end of financial year performance for individual superannuation funds, has generally shown that industry funds have been the best performers, this is in line with the satisfaction data we have shown here.”

“Superannuation satisfaction is a vital part of understanding the behaviour of members as it is unlikely that the vast majority will be actively engaged enough to be reading performance tables. It is more likely that it is how they feel regarding the performance of their fund that will ultimately determine their actions.”

“The data shown here is only a small part of the superannuation and other finance data that we have collected from over 50,000 interviews per annum over more than two decades. To understand more about superannuation in-depth and long term trends, ask Roy Morgan.”

To learn more about Roy Morgan’s superannuation satisfaction 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

