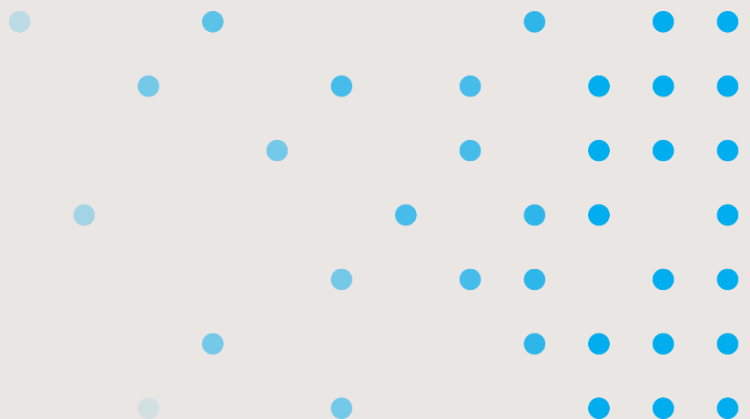


Market Forces Superannuation Survey: 2016



Market Forces

Superannuation Survey: 2016

Date: 15 September 2016

Client: Market Forces

Prepared By: Essential Research

Notes: FULL REPORT (V2)



Essential Media Communications is a member of the Association of Market and Social Research Organisations



Our researchers are members of the Australian Market and Social Research Society.



Contents

Research methodology	4
Survey Reliability	5
Executive summary.....	6
Superannuation	6
Summary of results	7
Demographics.....	17



Research methodology

This was an online survey. The survey was in the field from Monday 15th August to Friday 19th August 2016.

The survey fieldwork was conducted by the Online Research Unit (ORU). Data tables were prepared by Essential Research.

The target population for this research was Australian adults aged 18+.

The survey was completed by 1017 respondents.

This data was weighted to ABS figures for age, gender and location. Loose quotas were placed on age, gender and location also.

The survey was designed by Essential Research (Kate Whelan) in conjunction with Market Forces. The analysis of this data was conducted by Kate Whelan.

SPSS and Excel were used to analyse the results.



Survey Reliability

Properly constructed sample surveys can provide results that are described as statistically reliable. The level of statistical reliability is dependent upon the sample size and (except where it is extremely small) the size of the population has no practical effect.

A survey that has 1000 respondents will provide results that are – at the 95% confidence level – subject to a sampling variation of between 2% and 3% at the total response level. Sub-samples, because of their smaller size, will exhibit larger sampling variances. The following table shows the sampling variances at the 95% confidence level for a range of sample sizes and response levels.

Sample Size	Variation where the answer is near the percentage of				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
100	6%	8%	9%	9%	10%
200	4%	5%	6%	7%	7%
300	3%	5%	5%	6%	6%
400	3%	4%	4%	5%	5%
500	3%	4%	4%	4%	4%
600	2%	3%	4%	4%	4%
700	2%	3%	3%	4%	4%
800	2%	3%	3%	3%	3%
900	2%	3%	3%	3%	3%
1000	2%	3%	3%	3%	3%

Overall the confidence level was set as 95%. In this report where variation in sub-samples is statistically significant a comment has been made.

For the purposes of simplicity, we have rounded percentages to the nearest whole number. This may result in some percentage totals being 99% or 101%.

Executive summary

Superannuation

- A majority of Australians (59%) had their super fund chosen for them by their employer.
- Over half of Australians would at least consider using another super fund (56%). 28% stated that their current fund is the only fund they would ever consider using.
- Just under one third (32%) of Australians would be prepared to move their superannuation to another fund if it was found to be investing in coal or coal seam gas extraction.
- 64% of Australians agree that their superannuation fund should be proactively reducing its exposure to fossil fuel investments. However, just 25% of Australians believe that members should be placed in ethical investment options by default. Most (51%) think that members should have to choose this option.
- 46% of the population admitted they have 'very little idea' about how their superannuation fund invests their money.
- Overall, 86% of the Australian population agree that, as members of a superannuation fund, they should have the right to know where their superannuation is invested.
- Although 10% of the Australian population claim to be contacted about investments that present ethical concerns at least a few times per year, the largest proportion (50%) stated that they can't recall having been asked about issues like this.



Summary of results

1.1. Level of knowledge about investments

Question: How much do you feel you know about where your superannuation fund invests your money?

	%
I know a great deal about where my superannuation fund invests my money	18%
I know a bit about where my superannuation fund invests my money but there are plenty of gaps	37%
I have very little idea about how my superannuation fund invests my money	46%

Comments

18% of the Australian population claim to ‘know a great deal’ about where their super fund invests their money.

However, the largest proportion (46%, or nearly half) admitted they have ‘very little idea’ about how their superannuation fund invests their money.

37% of the population fall somewhere in-between, where they know ‘a bit’.

Those claiming to know ‘a lot’ were more likely to be:

- Male (23% compared to 13% of females).
- Those aged 55+ (25% compared to 16% of those aged 30 -55 and 15% of those aged under 30).
- Those with Retail Funds (27% compared to 11% in Industry Funds and 13% in Public Sector).
- Those with larger balances (30% of those with balances of \$150k+ compared to an average of 16% of those with balances of less than \$150k).
- Those with personal incomes in excess of \$120,000 (27%).
- Those who chose the fund themselves (34% compared to 9% of those who were put in their fund by their employer).

1.2. Agreement that members of a superannuation fund have right to know about investments

Question: Do you agree or disagree that as a member of a superannuation fund you should have a right to know where your superannuation is invested (e.g. in which companies, infrastructure projects)?

	%	Industry Fund	Retail Fund	Public Sector	Australian Super
TOTAL Agree	86%	86%	91%	94%	93%
TOTAL Disagree	5%	4%	5%	1%	2%
Strongly agree	39%	36%	49%	35%	34%
Agree	47%	50%	42%	59%	59%
Disagree	4%	4%	4%	1%	2%
Strongly disagree	1%	<1%	1%	-	-
Not sure	9%	9%	5%	5%	5%

Comments

Overall, 86% of the Australian population agree that as members of a superannuation fund they should have the right to know where their super is invested.

Just 5% disagree with this statement, while 9% are not sure.

Those in public sector funds (94%) were more likely to agree with this statement, as were those with AustralianSuper (93%).

Those in Industry funds in general were slightly less likely to agree with this statement (86%) and more likely to answer 'not sure'.

1.3. Meaning of long-term interests

Question: Superannuation funds have an obligation to act in the long-term interests of their members. In your view, is the meaning of “long-term interests”:

	%
Restricted to just the financial return your superannuation fund provides	29%
Or does it mean investing in companies that behave ethically and avoid damaging the environment, as well as providing a financial return.	38%
Not sure	33%

Comments

38% of Australians think that ‘long-term interests’ means investing in companies that behave ethically and avoid damaging the environment, as well as providing a financial return.

However, 29% think that it is ‘restricted to just the financial return your super fund provides’.

33% are not sure.

Those who are more likely to think that it means investing in companies that behave ethically include:

- Females (41% compared to 35% of males).
- Those aged 30 to 55 (40% compared to 34% of those aged under 30 and 38% of those aged 55+).
- Those who are with a public sector fund (59% compared to 39% of those with retail funds and 38% of those with Industry funds).
- Those with larger balances (48% of those with balances of \$150k+ compared to 40% of those with balances of \$50k to \$150k, and 38% of those with balances of less than \$50k).
- Those who indicated that they would definitely consider using other funds (58% compared to 42% of those who ‘might’ consider another fund and 37% who think their current fund is the only one they would even consider).
- Those who know just a ‘bit’ about how their fund invests their money (44% compared to 26% of those who know a great deal).



1.4. Preparedness to move super

Question: Would you be prepared to move your superannuation to another company if it was found to be investing in coal or coal seam gas extraction, based on their negative environmental impacts?

	%
Yes	32%
No	32%
Not sure	36%

Comments

Just under one third (32%) of Australians would be prepared to move their superannuation to another company if it was found to be investing in coal or coal seam gas extraction.

A further 32% said that they would not be prepared to move.

36% are not sure.

Those who were more likely to be prepared to move included:

- Females (35% compared to 28% of males).
- Those aged under 30 (42% compared to 33% of those aged 30 -55 and 21% of those aged 55+).
- Those in NSW (35% compared to 31% of those in QLD and VIC).
- Those in metropolitan areas (35% compared to 26% of those in regional areas). At 41% those in regional areas were far more likely to select not sure.
- There were no significant differences across the fund types.



1.5. Agreement with super funds reducing exposure to fossil fuels

Question: Do you agree or disagree that your superannuation fund should be proactively reducing its exposure to fossil fuel investments in response to growing global action to tackle the issue of climate change?

	%	Industry Fund	Retail Fund	Public Sector	Australian Super
TOTAL Agree	64%	67%	67%	53%	69%
TOTAL Disagree	16%	12%	15%	27%	16%
Strongly agree	21%	22%	23%	25%	23%
Agree	43%	45%	44%	28%	46%
Disagree	13%	10%	11%	26%	14%
Strongly disagree	3%	2%	4%	1%	2%
Not sure	20%	20%	17%	19%	15%

Comments

64% of Australians agree that their superannuation fund should be proactively reducing its exposure to fossil fuel investments.

Just 16% disagree.

There was little difference between the various fund types, except for Public Sector Fund members (53%) who were less likely.

Those who were more likely to agree included:

- Females (68% compared to 59% of males).
- Those aged under 30 (72% compared to 62% of those aged 30 -55 and 58% of those aged 55+).
- Those with fund balances under \$50k (72%). this is most likely a result of agreement being higher with younger Australians.

1.6. Ethical investment by default

Question: Some superannuation funds offer an investment option that is structured to avoid investments in companies and projects that harm the environment and worsen climate change.

Do you think members should be placed into this option by default, or should members have to actively choose this option?

	%
Members should be placed in the option by default	25%
Members should have to choose this option	51%
Not sure	24%

Comments

Just 25% of Australians believe that members should be placed in ethical investment options by default. Most (51%) think that members should have to choose this option.

Those who are more likely to agree with this include:

- Females (28% compared to 22% of males).
- Those aged under 30 (34% compared to 25% of those aged 30 to 50 and 18% of those aged 55+).



1.7. Frequency of contact about investments

Question: How often does your superannuation fund contact you to seek your opinion on investments in companies and projects that may present ethical concerns (i.e. they have sent you letters, or surveys about projects they are considering investing in)?

	%	Industry Fund	Retail Fund	Public Sector	Australian Super
At least a few times per year	10%	6%	15%	5%	7%
About once per year	16%	17%	21%	17%	14%
Less often	13%	16%	9%	7%	19%
I can't recall having been asked about issues like this	50%	49%	48%	71%	52%
Not sure	12%	12%	8%	-	8%

Comments

10% of the Australian population claim to be contacted about investments that present ethical concerns at least a few times per year.

However, the largest proportion (50%) stated that they can't recall having been asked about issues like this.

Those in retail funds are more likely to claim to be contacted 'at least a few times per year' (15%).

There were no significant differences in terms of the other segments (such as age and gender).

The table below demonstrates the results by length of membership of a fund.

	Less than 5 years	5 to 15 years	15 years +
At least a few times per year	10%	12%	11%
About once per year	15%	19%	14%
Less often	17%	13%	7%
I can't recall having been asked about issues like this	49%	47%	63%
Not sure	11%	9%	5%

1.8. Balance with super fund

Question: What is the balance of your superannuation fund, to the best of your knowledge?

	%
Less than \$50,000	32%
\$50,000 to under \$100,000	15%
\$100,000 to under \$150,000	12%
\$150,000 to under \$300,000	7%
\$300,000 to under \$500,00	7%
\$500,000+	6%
Not sure	13%
I'd rather not say	10%

1.9. Length of time with fund

Question: How long have you been with this superannuation fund?

	%	Chose the fund myself	My employer put me in this fund
Less than 2 years	13%	16%	11%
2-5 years	17%	16%	19%
5-7 years	11%	12%	11%
7-10 years	14%	17%	13%
10-15 years	12%	10%	13%
15 years +	25%	28%	27%
Not sure	8%	2%	5%

Comments

The largest proportion of respondents have been with their superannuation fund for 15+ years (25%).



1.10. Joining the fund

Question: How did you come to be a member of this fund?

	%	Industry Fund	Retail Fund	Public Sector	Australian Super
Chose the fund myself	33%	24%	55%	11%	32%
My employer put me into this fund	59%	71%	37%	89%	63%
Not sure	9%	5%	8%	-	5%

Comments

The majority of Australians (59%) had their superannuation fund chosen for them by their employer.

This percentage is even higher for those in Industry funds (71%) and public sector funds (89%). Those in retail funds were significantly more likely to have chosen the fund themselves (55%).

1.11. Willingness to join other funds

Question: Which of the following best describes you and your loyalty to your superannuation fund:

	%	Industry Fund	Retail Fund	Public Sector	Australian Super
It is the only fund I would ever consider using	28%	28%	22%	42%	36%
I might consider using another fund	46%	50%	51%	25%	49%
I would definitely consider using another fund	10%	9%	13%	22%	3%
Not sure	17%	13%	13%	10%	12%

Comments

Over half of Australians would at least consider using another super fund (56%).

28% stated that their current fund is the only fund they would ever consider using.

Those in Industry funds were slightly more likely than those in retail funds to state they would only consider using their current fund (28% compared to 22%). Those in public sector funds were far more likely (42%) to state that they would only consider their current fund.

Those with smaller balances were less likely to state that they would only ever consider this fund (22% of those with less than \$50k).

Those who have been with their funds for a long time were the least likely to consider moving. Of those who had been with their fund for 15 years or more, 49% said that it was the only fund they would ever consider.

	Less than \$50k	\$50k to \$150k	\$150k+	Less than 5 years	5 to 15 years	15 years +
It is the only fund I would ever consider using	22%	33%	30%	21%	25%	49%
I might consider using another fund	43%	49%	55%	53%	47%	38%
I would definitely consider using another fund	16%	8%	11%	11%	14%	6%
Not sure	20%	10%	5%	16%	15%	8%

For those that chose their fund, 34% said it was the only fund they would ever consider, compared to 27% of those who were put in the fund by their employer.



Demographics

Gender	
Male	49%
Female	51%

Age	
Under 18	-
18-25	12%
26-30	9%
31-35	9%
36-40	9%
41-45	9%
46-50	9%
51-55	9%
56-60	8%
61-65	7%
66-70	6%
70-75	4%
75+	8%

Location	
Sydney	21%
Regional NSW	12%
Melbourne	19%
Regional VIC	6%
Brisbane	10%
Regional QLD	10%
Adelaide	6%
Regional SA	2%
Darwin	6%
Regional NT	2%
Perth	2%
Regional WA	1%
Hobart	1%
Regional TAS	1%
ACT	2%
Other	-

Income	
Less than \$20,000	22%
\$20,000 to under \$40,000	22%
\$40,000 to under \$60,000	16%
\$60,000 to under \$80,000	10%
\$80,000 to under \$100,000	11%
\$100,000 to under \$120,000	4%
\$120,000 to under \$150,000	3%
\$150,000 or more	4%
Don't know	1%
Prefer not to say	7%

Vote	
Labor	30%
Liberal	28%
National	5%
Greens	10%
Family First	2%
Nick Xenophon Party	4%
Independent or other	8%
Don't know	7%
Not enrolled	4%
I'd rather not say	4%



