



C|T GROUP

ASFA Public Opinion Research

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Methodology

Qualitative Research:

6 focus groups with Australians aged 25-69 were conducted in electorates across the country; including from Sydney (Lindsay and Macquarie), Brisbane (Brisbane and Ryan) and Melbourne (Higgins and Chisholm). Focus groups were conducted in October 2021.

Quantitative Research:

A survey of sample size n=2,043 was conducted in November 2021.

Data are weighted to match the profile of the adult population living in Australia. Weighting targets for the Australia results include; age, sex, state, level of qualification and 2019 Federal election vote. Targets were derived from statistics collected by the Australian Bureau of Statistics (ABS), as well as the results of the 2019 Federal Election from the Australian Electoral Commission (AEC).

After calibration weighting, the maximum margin of error for the poll is +/- 2.6% when analysing top-line results. Caution should be taken when analysing subsamples, as these figures will be subject to significantly higher margin of error.

Please note that these results are a snap-shot in time, and opinion may change significantly since fieldwork was conducted.



Summary of results



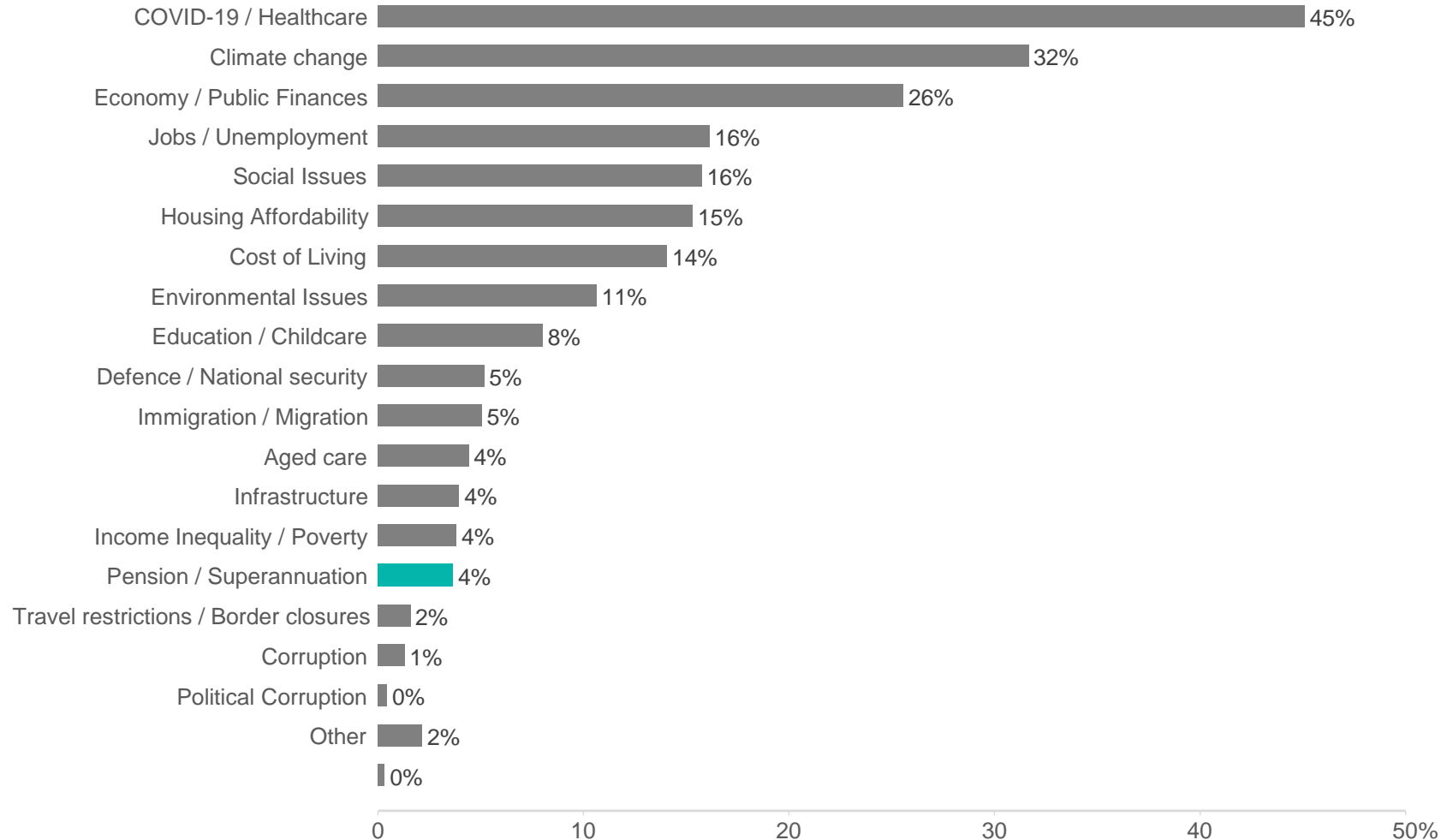
Summary

1. Superannuation is not on the issue agenda for the vast majority of Australians right now. Even when further regulation of the industry is prompted to respondents, it is not considered a major concern right now, compared with other policy areas.
2. Australians believe that more money should be saved for their retirement, not less. Many are concerned that they might not have enough money saved to live well when they retire. They are also concerned that others who don't save, might become a burden on taxpayers later.
3. Respondents said that they are very satisfied with the performance of their super funds right now. The industry is viewed highly favourably, and Australians are satisfied with how the industry is performing across a range of key metrics.
4. Arguments against early access to super balances are well supported across the full spectrum of different demographic, socio-economic and voter groups.
5. There is high support for maintaining the legislated increase of Super Guarantee to 12% and high support for ensuring that any additional super contributions are taken as compulsory retirement savings.



Public policy context

Spontaneous issue agenda

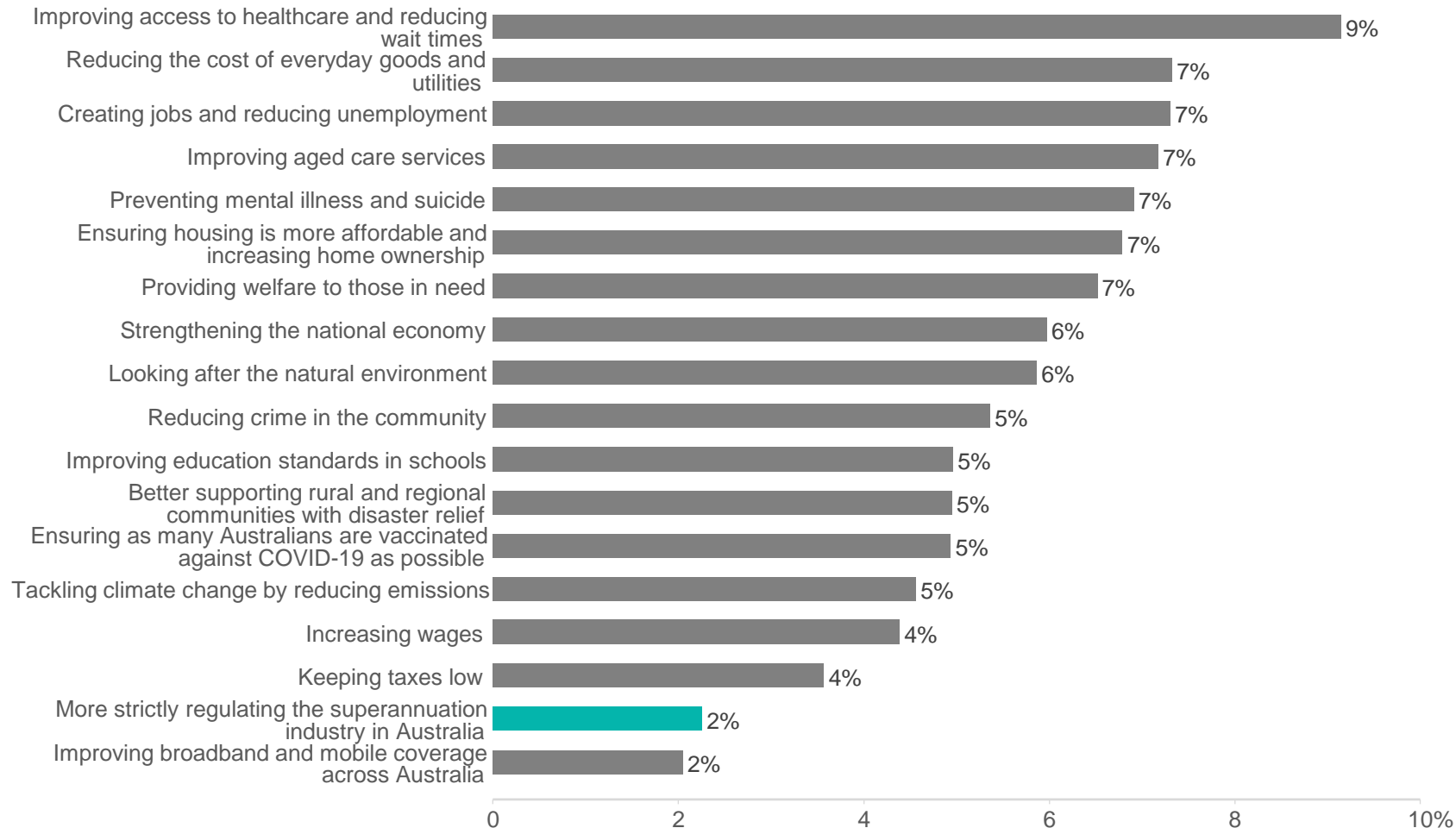


Q1. Thinking about national issues affecting you, what are the top three issues that you think the Australian Government should be doing something about?

Base: All participants (n=2,043)

- When respondents were asked to give their priorities for the Australian Government right now, just 4% said that they had concerns about their pensions and superannuation.
- These responses were mostly concerns about whether people would have enough money to live comfortably in their retirement.

Prompted national issue agenda



- When a full list of national issues were prompted to respondents, government **intervention in the superannuation industry was considered one of the least important priorities**. Just 2% of Australians said that they would rank further regulation of the industry as a top priority.

Q2. Below is a list of issues that others have told us they are concerned about. Thinking about what's happening in Australia today, please select the most important and the least important issue to you.

Base: All participants (n=2,043)



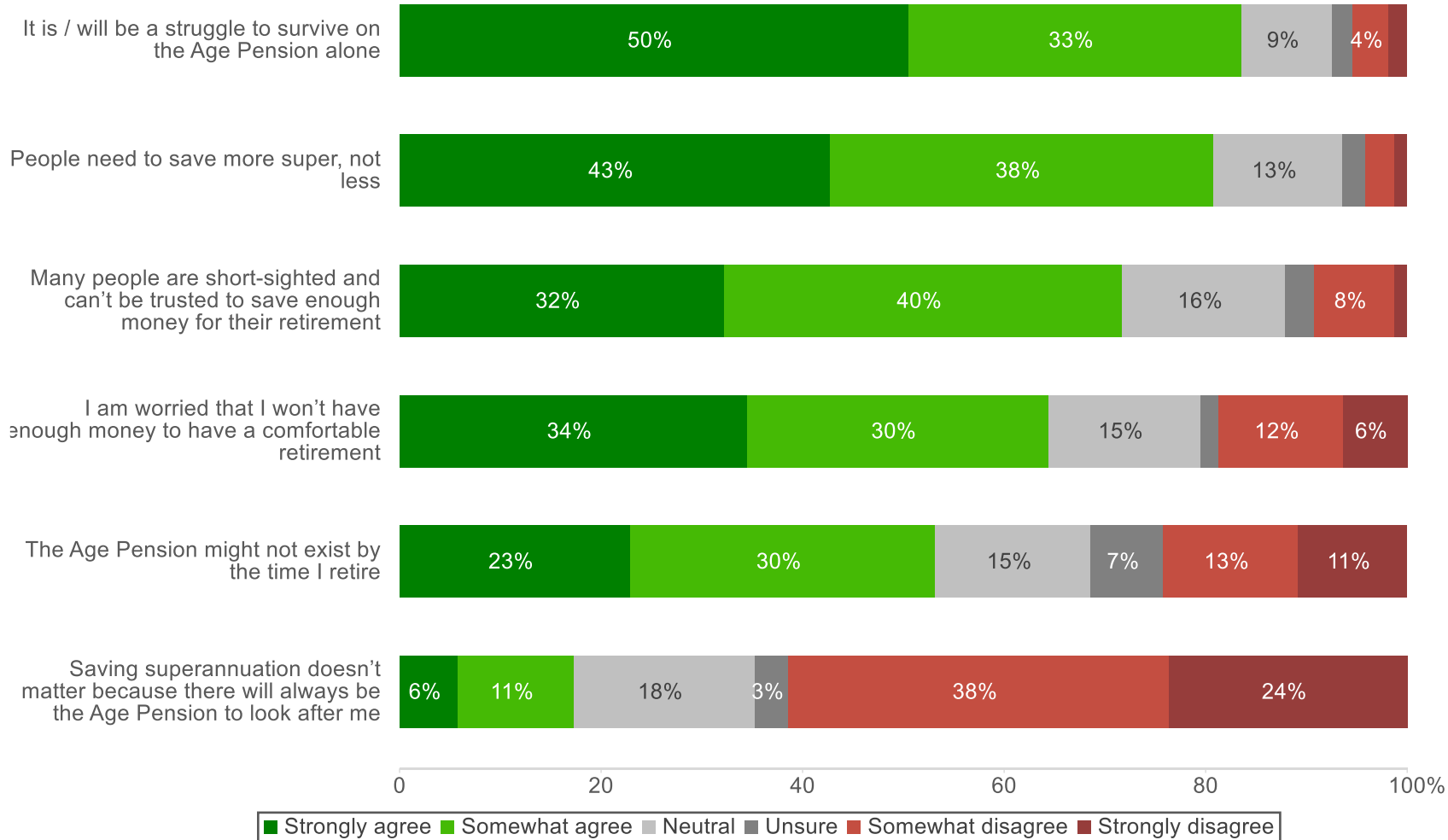
Superannuation in context

- Although superannuation was not top of mind, once it was prompted to participants many said they had engaged with the issue just a few times in the last year; driven principally by awareness of extraordinary returns and having had access to drawing on their balances during the pandemic.
- During focus groups, participants said they did not feel changes to superannuation rules was a top priority, and that any concern was dwarfed by “bigger concerns” like climate change, the economic recovery, housing and the cost of living.
- Interest in superannuation tended to be driven by an anxiety about the adequacy of balance sizes, a general interest in finance/business activity, personal finances, and how close participants were to their retirement.
- Participants who had lower balances, particularly from lower socio-economic groups, said that they deliberately tried not to think about their super day-to-day, as it made them anxious and/or worried about the quality of retirement that might be waiting for them.
- Most participants viewed superannuation as deeply personal, and were highly possessive of their super payments, often describing superannuation as “mine”, “my nest egg” and “essential to save for my retirement”.

In people’s own words:

- *“People were allowed to dip into their super for Covid but we’re not increasing the amount going in, which will create a big problem in the future”*
- *“You can’t cancel it, there will be too many homeless people in 50 years’ time”*
- *“It needs to increase...no super means no choices. You can’t get private health cover or teeth done”*
- *“We all pay for it as a community in the long run...[the] standard of living in the community will go down and we will all suffer”*
- *“It’s our savings because we worked hard”*

Super matters, and people want to save more, not less



- An overwhelming majority of respondents (81%) agreed with the statement “people need to save more superannuation, not less”.
- A clear majority of Australians (64%) agree that they are worried they won't have enough money to have a comfortable retirement.
- Almost two thirds of respondents (62%) disagree that saving superannuation doesn't matter because there will always be the Age Pension to look after them.



Industry performance



Views on the industry

- During focus groups, most participants said that they did not often hear from or tend to think about the superannuation industry. However, once prompted, nearly all said that they were ‘fairly’ familiar with the performance of the industry, but only in general terms.
- Most participants knew their approximate balance and felt that super funds had performed well across the board over the past couple of years. Some indicated that they had checked their account, perhaps a little more frequently than they might have done in previous years.
- Most participants said that they were pleasantly surprised by the positive performance of their own fund and had no reason to believe that significant reform was necessary to improve performance or returns.
- On balance, participants said that they trusted super funds with their money (particularly their own fund) and they felt that super funds tended to invest their money wisely.

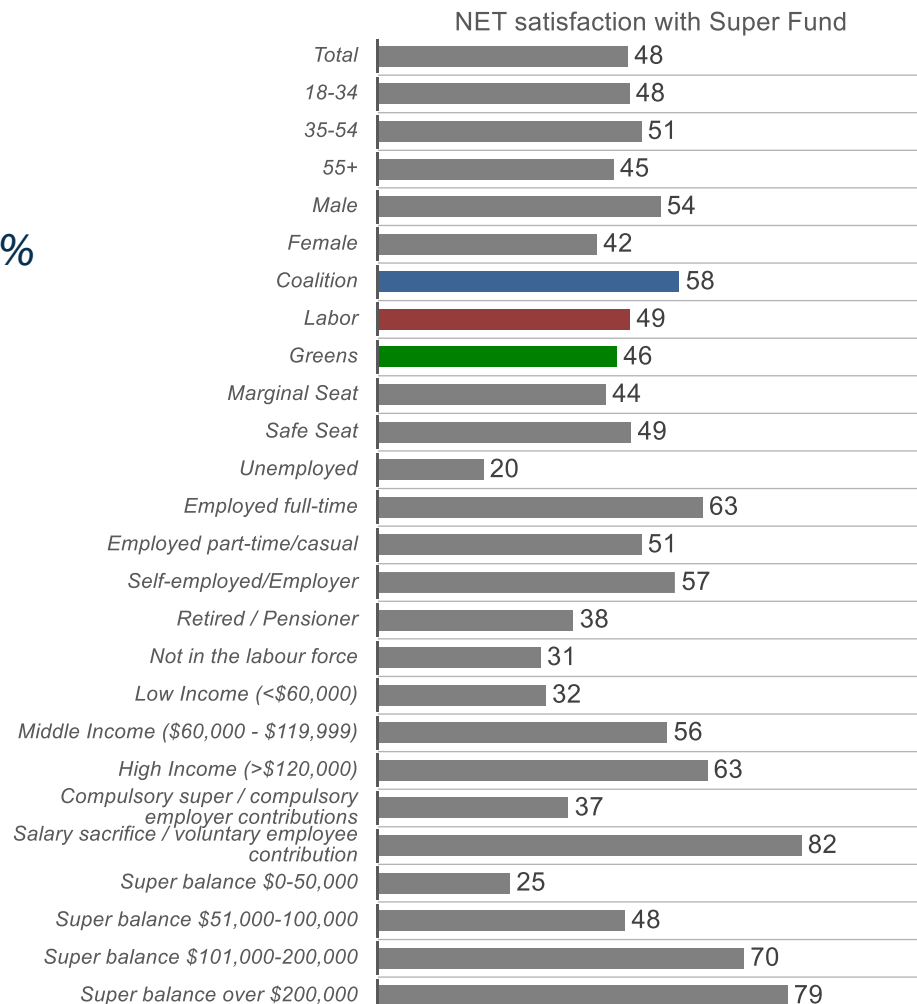
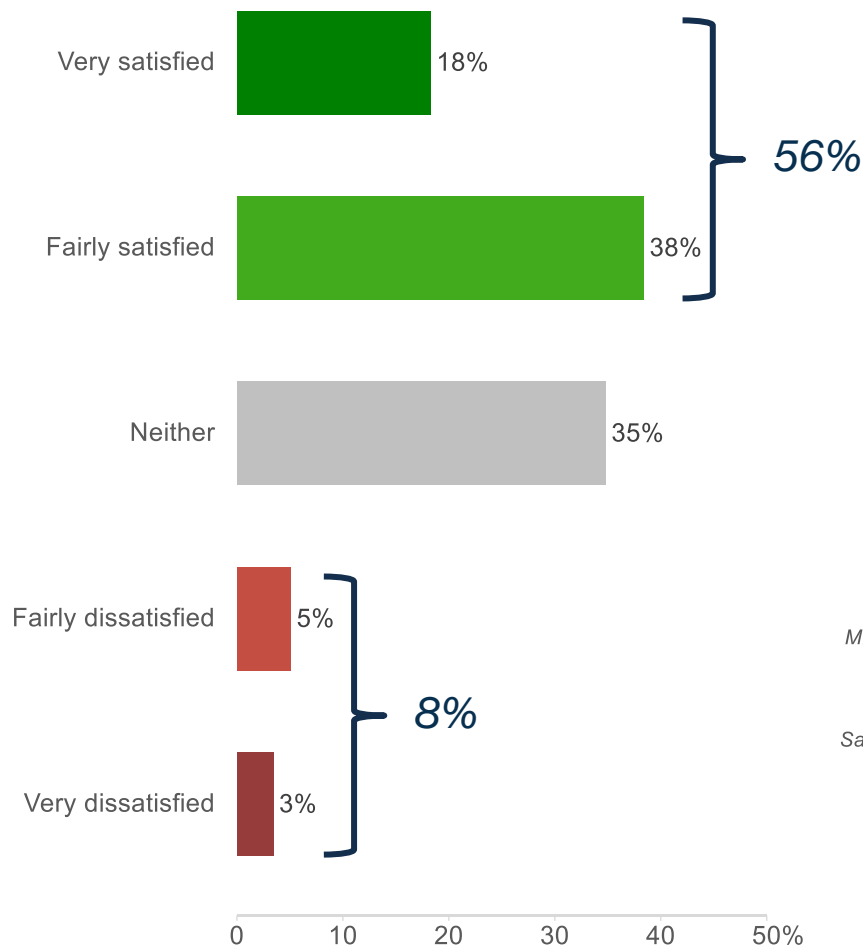
In people’s own words:

- *“I don’t usually follow what goes on or check my account, but with the [large] gains over the last couple of years, I have been taking a bit more of an interest”*
- *“They’ve done well, I am pretty happy to be honest”*
- *“They seem to have done a good job investing people’s money, even when people took so much out”*



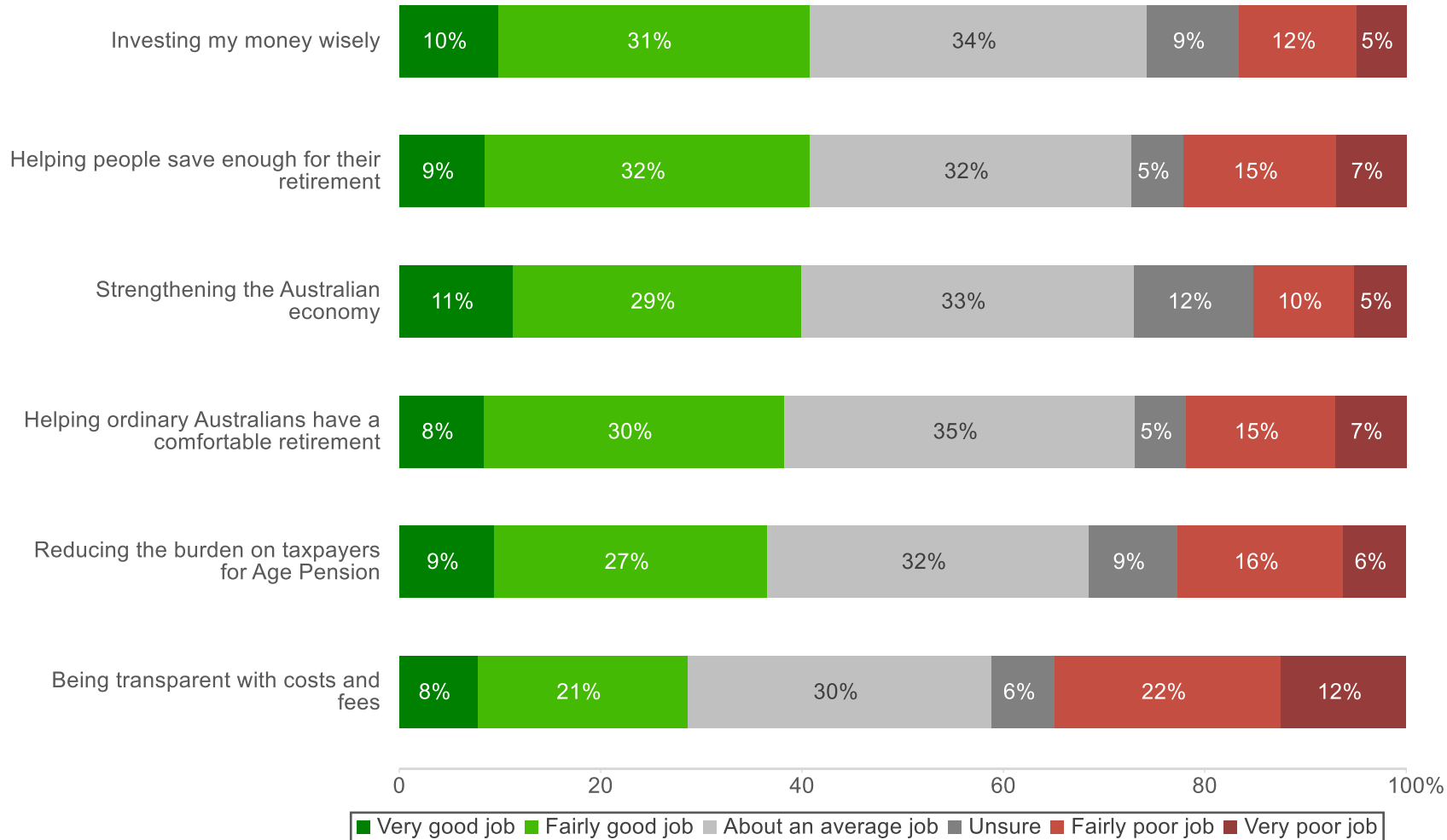
Clear majority of Australians are satisfied with their fund

Overall, how satisfied, or dissatisfied, would you say you have been with the performance of your super fund over the past 12 months?



- A clear majority of Australians (56%) say that they are very, or fairly satisfied, with how their super fund has performed over the last 12 months.
- Just 8% say that they are dissatisfied.
- There is high NET satisfaction with super funds (+48) across the full spectrum of demographic, socio-economic, and political groups.

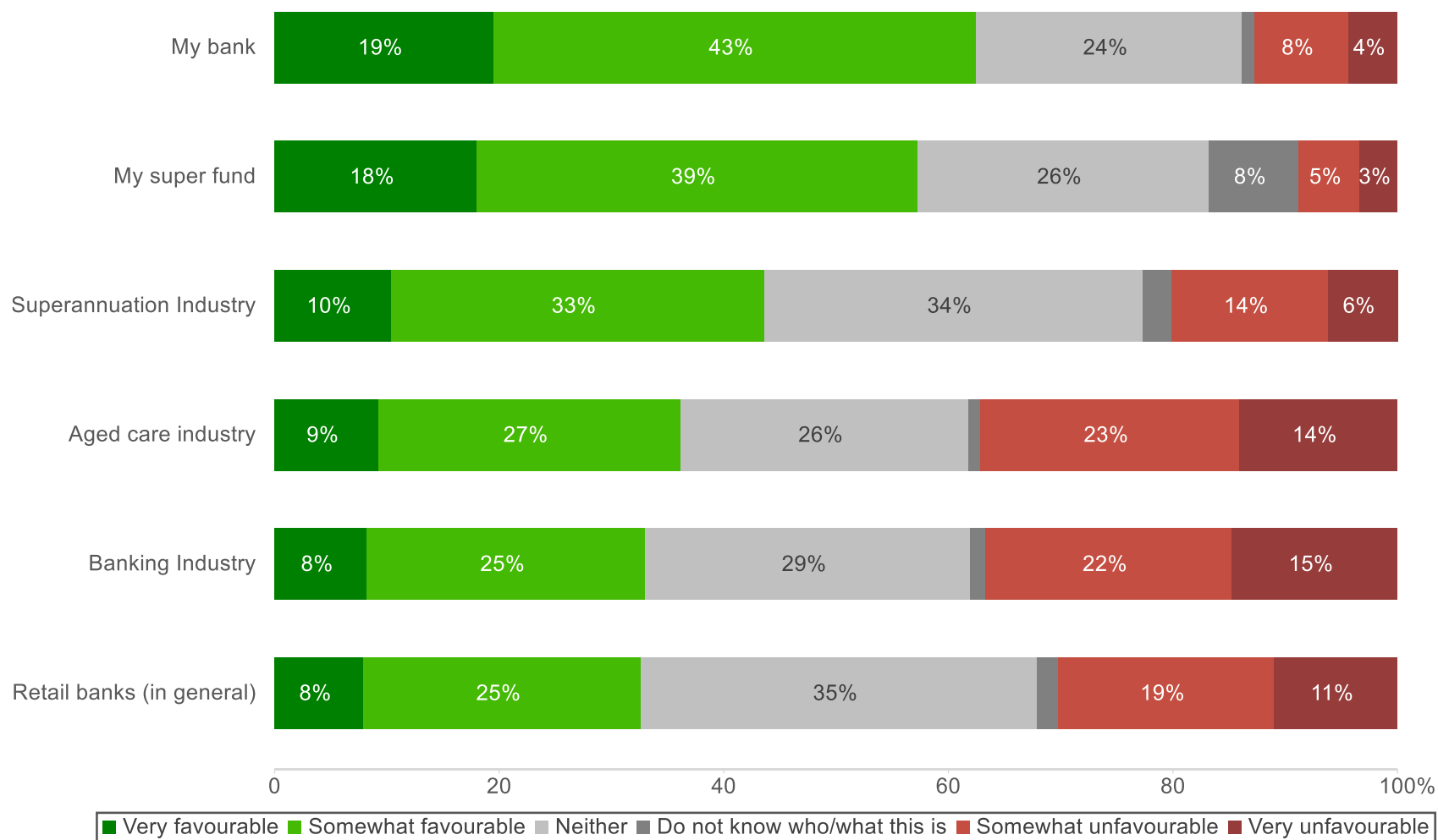
Industry performance



- Almost three quarters of respondents (73%) said that they believe the superannuation industry does a good or about an average job at strengthening the Australian economy.
- A similar proportion (73%) say that they believe the superannuation industry does a good or about an average job at helping ordinary Australians have a comfortable retirement.



The industry is viewed highly favourably



- The **superannuation industry** is **viewed highly favourably at this time**, with 43% of respondents saying that they have a very or somewhat favourable view of the industry.
- Australians are even **more likely to rate their own super fund favourably**, with 57% saying they have a very or somewhat favourable view of their own fund.



General views on superannuation



What Australians understand about superannuation

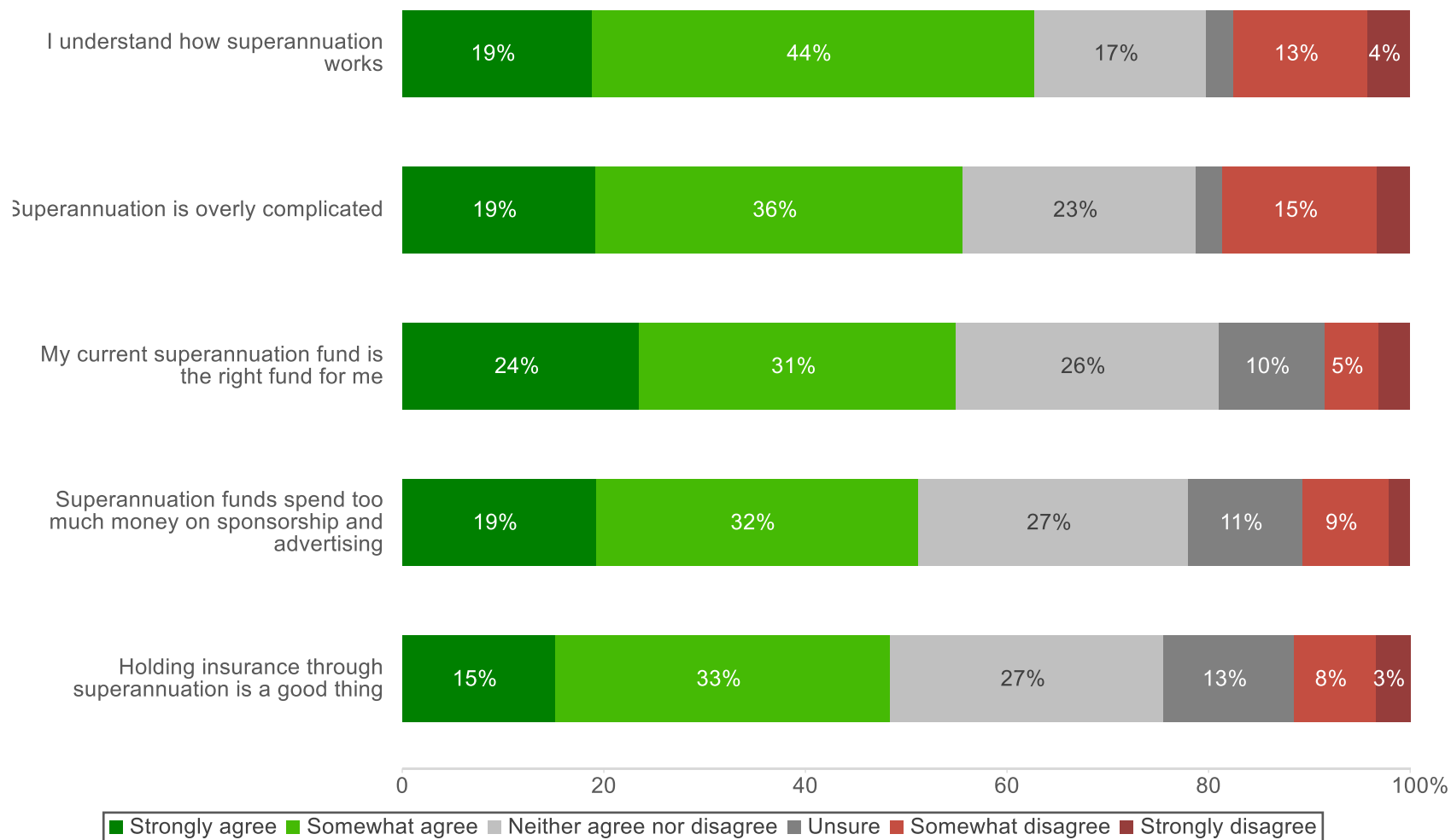
- For most focus group participants, superannuation was felt to be a relatively simple subject. Most tended to think about their super in three broad questions:
 - a) *Are they saving enough for a comfortable life in retirement?*
 - b) *Is their super fund performing well enough to deliver good returns?*
 - c) *Will their super balance continue to be secure and protected?*
- A few participants did suggest that the way that fees and returns were calculated and presented to them was difficult to comprehend, and they would like to understand it more clearly.
- Other than these three broad questions, most participants were not concerned and did not want to think too much about it.

In people's own words:

- *"It's a pressure and a worry. I can't catch up"*
- *"The government eyeing big pots of money: will they tax it in future?"*
- *"There might not be enough [Age Pension] when I retire ... It's our own responsibility to look after our future, not rely on social security. It's a social responsibility"*
- *"The impact on super is great – a coffee a week for one year's worth of living"*
- *"If everyone needed the Old Age Pension, there wouldn't be one"*



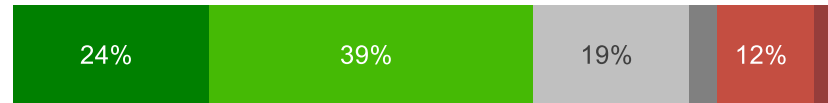
General views on superannuation



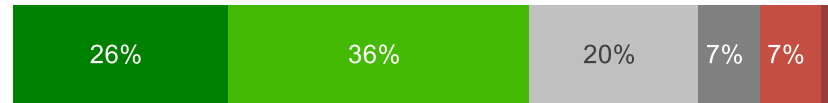
- A majority of respondents (55%) believe that their superannuation fund is the right one for them.
- Almost two thirds of Australians (63%) say that they understand how superannuation works.

Clear majority of Australians are against early access

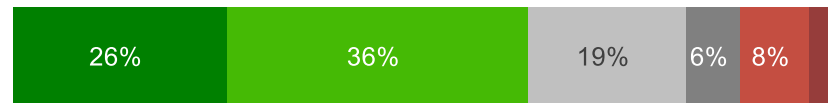
Forced saving is hard, so we need strict rules to stop people being tempted to spend money on frivolous things and be left with nothing to retire. They'll be thankful for the rules later in life.



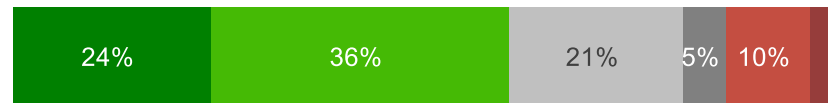
The significant benefits of compounded investment returns are lost when people access their super early.



More than half a million Australians (most of them under 35) emptied their superannuation accounts to \$0 under the COVID-19 early access scheme and currently have nothing to retire with. Australian taxpayers will have to pick up the bill for their Age Pension payments if they fall short.



In the future, we will have more retirees and fewer workers. If we allow early access, we will have more people on the Age Pension, putting a greater burden on a smaller number of taxpayers.



Our superannuation system is designed so that all Australians can have a minimum standard of retirement. Giving people early access to their super undermines the fairness of this system. People who have done the right thing may have to bail out those who have not.



0 20 40 60 80 100%

Strongly agree Somewhat agree Neither agree nor disagree Unsure Somewhat disagree Strongly disagree

- Almost two thirds of respondents (63%) agree that saving is hard, and therefore we need strict rules to ensure that people have enough money to retire on.
- A clear majority of Australians (58%) agree that giving people early access to their super will undermine the fairness of the system.
- 62% of respondents agree that the benefits of compounded interest are lost when people access their super early.



Maintaining increases to the Super Guarantee

Views on maintaining the Guarantee

- During focus groups, participants suggested that they were strongly in favour of continuing with the rise in Super Guarantee to 12%.
- For most participants, they felt that the rise had already been 'settled', and had therefore 'priced-it' into their minimum expectations for finances in the years ahead.
- For many workers, the idea that a legislated increase might not go ahead was viewed as a personal loss of income and financial security, a few participants even described that it would be a 'broken promise':

"If the government walks back on it, there will be a huge revolt"

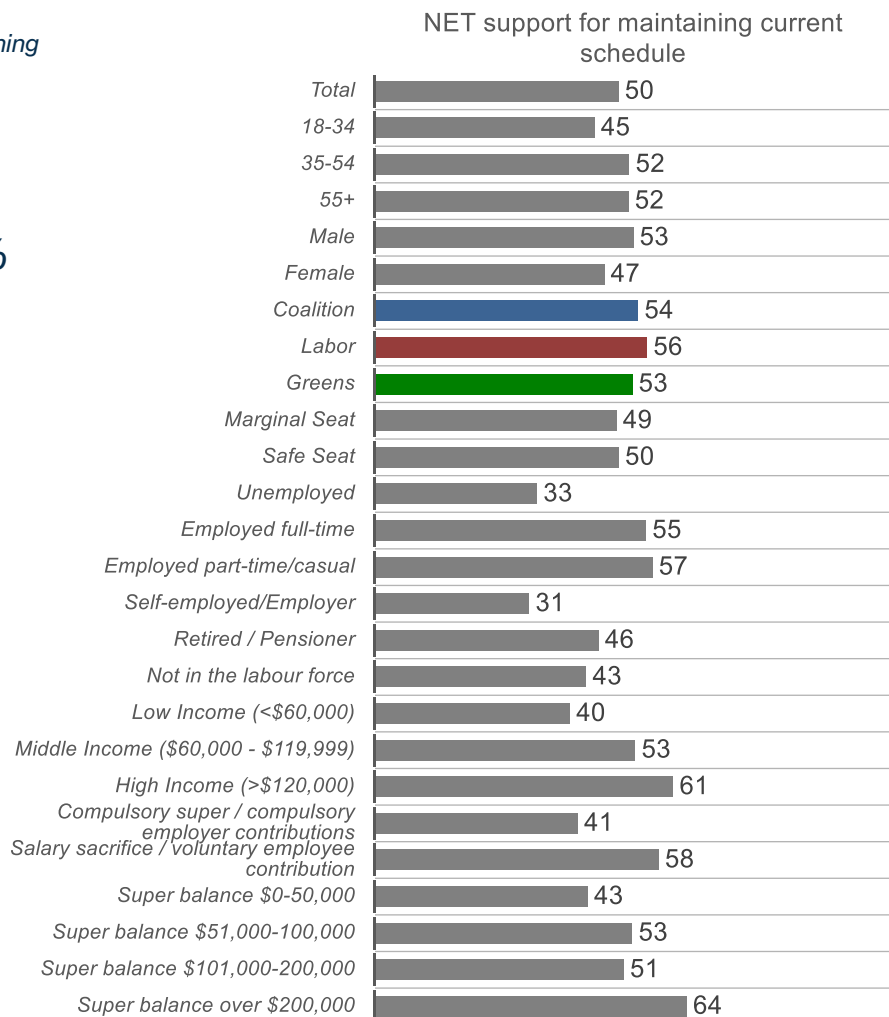
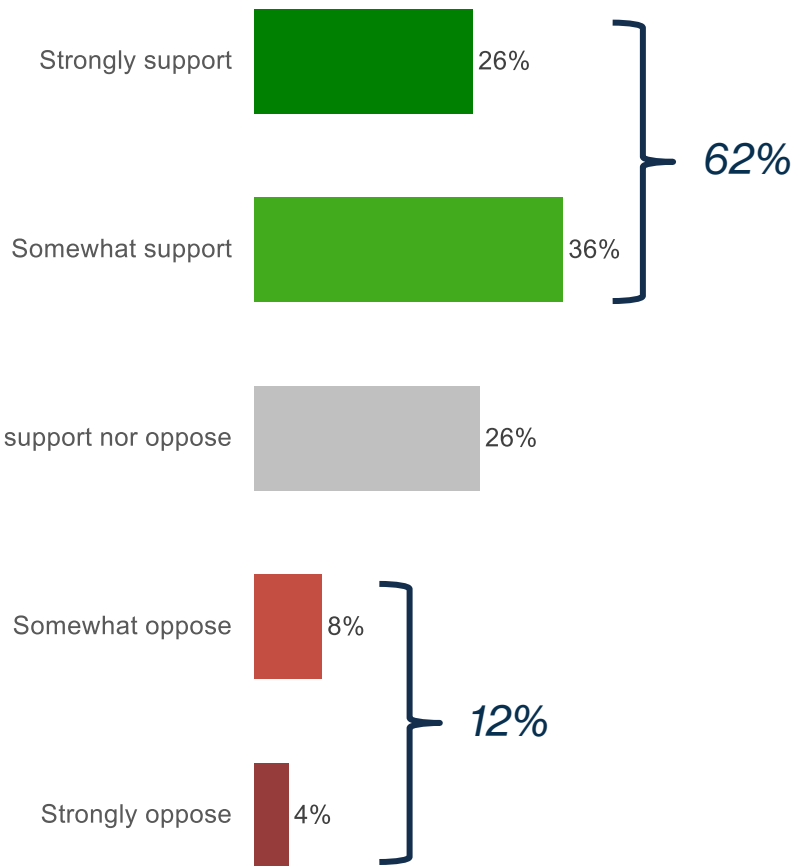
In people's own words:

- *"People were allowed to dip into their super for Covid and if we don't increase the amount going in, it will create a big problem in the future"*
- *"We all pay for it as a community in the long run...delaying it will mean standard of living in the community will go down and we will all suffer"*
- *"You can't cancel it, there will be too many homeless people in 50 years' time"*
- *"It needs to increase...no super means fewer choices. You won't be able to get things like private health cover or your teeth done"*



Strong public support for maintaining current schedule

To what extent do you support or oppose the Australian Government maintaining the current schedule to increase the level of super guarantee to 12%?



- Almost two thirds of respondents (62%) say that they support maintaining the current schedule of super guarantee increases to 12%.
- There is very strong support for maintaining the current schedule across a range of demographic, socio-economic and political groups.

Arguments for and against maintaining schedule to 12%

The amount of money employers contribute each week to super is relatively small but has a massive impact on retirement. For the price of a cup of coffee every week, this could lead to up to an extra \$60,000 at retirement

Increasing the super guarantee will help people save more and avoid being forced into poverty while in retirement

There will never be a perfect time to make this increase to 12%, so we might as well just go ahead with this now to ensure workers have enough when they retire

Postponing the super guarantee increases may mean that many people will have to work longer in order to retire

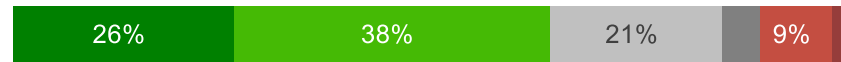
We need to reduce superannuation fund fees first before bringing in the compulsory super increases. Lower superannuation fees will help boost people's retirement income

Increasing the super guarantee will relieve the pressure on the taxpayer today and in future generations, particularly as Australia has an ageing population

Without the 12% super guarantee, Australians won't be able to build the nest egg required to fund a dignified, comfortable retirement and to afford decent aged care

Increasing the super guarantee will reduce the take-home wages of workers on salary including super at a time when the cost of living is rising

Increasing the super guarantee will mean less take-home wages and wage growth for many workers, as employers will be forced to give slower wage rises in order to recoup the cost of super



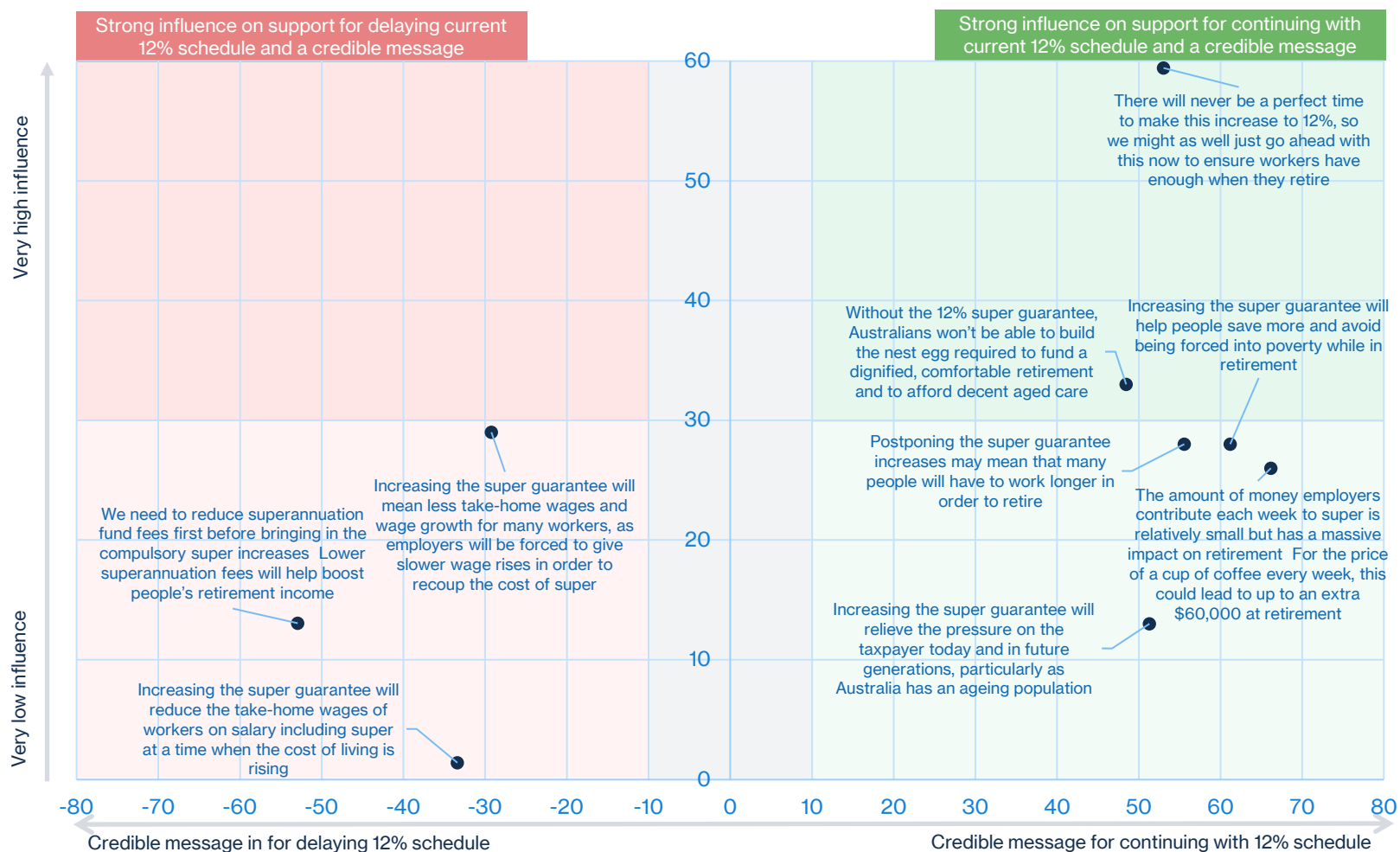
0 20 40 60 80 100%

Strongly agree Somewhat agree Neither agree nor disagree Unsure Somewhat disagree Strongly disagree

- Three quarters of respondents (75%) agree with the statement that “postponing the super guarantee increases may mean that many people will have to work longer in order to retire”.

- Two thirds of Australians (66%) agree that there will never be a perfect time to make the increase to 12%, so now is as good a time as any.

Driver analysis



- Key driver analysis shows that arguments that are most influential on support, are those in favour of continuing with the current schedule of superannuation increases.
- The most influential argument is that there will never be the perfect time, so the increase should go ahead to ensure there is enough for workers to retire on. This is followed by concerns that not getting to 12% soon enough will mean that Australian's do not have enough to fund a dignified retirement, and also that postponement could lead to people working longer in order to retire.
- Arguments in favour of delay tend to be viewed less credibly by voters, and are shown not to be as impactful on overall support for delaying the increase.



Support for compulsory super contribution

Views on maintaining compulsory contribution

- In focus groups, participants said that they understood it was difficult for people to save, and that many Australians (including themselves) tended to make poor short-term decisions that they later regretted.
- The view, that “nobody ever looks back and wishes that they had saved less for their retirement” was well supported by participants, many of whom said that they felt public policy measures which sought to help workers ‘set and forget’ their savings contribution at a sufficient level to live well in retirement, was essential.
- Several participants said that they saw compulsory contribution as good economic management. Many raised the view that compulsory contribution was an important measure to protect taxpayers and to stop public expenditure from blowing out. Participants wanted consistent application of the rules to ensure that super balances reached an acceptable standard of living for all, and that those who did the right thing and saved, did not have to ‘bail-out’ those who made the wrong choice and did not save enough.
- Some participants raised concerns about the potential for exploitation of employees by employers if the law on compulsory contribution was not uniformly applied to all workers across all sectors.

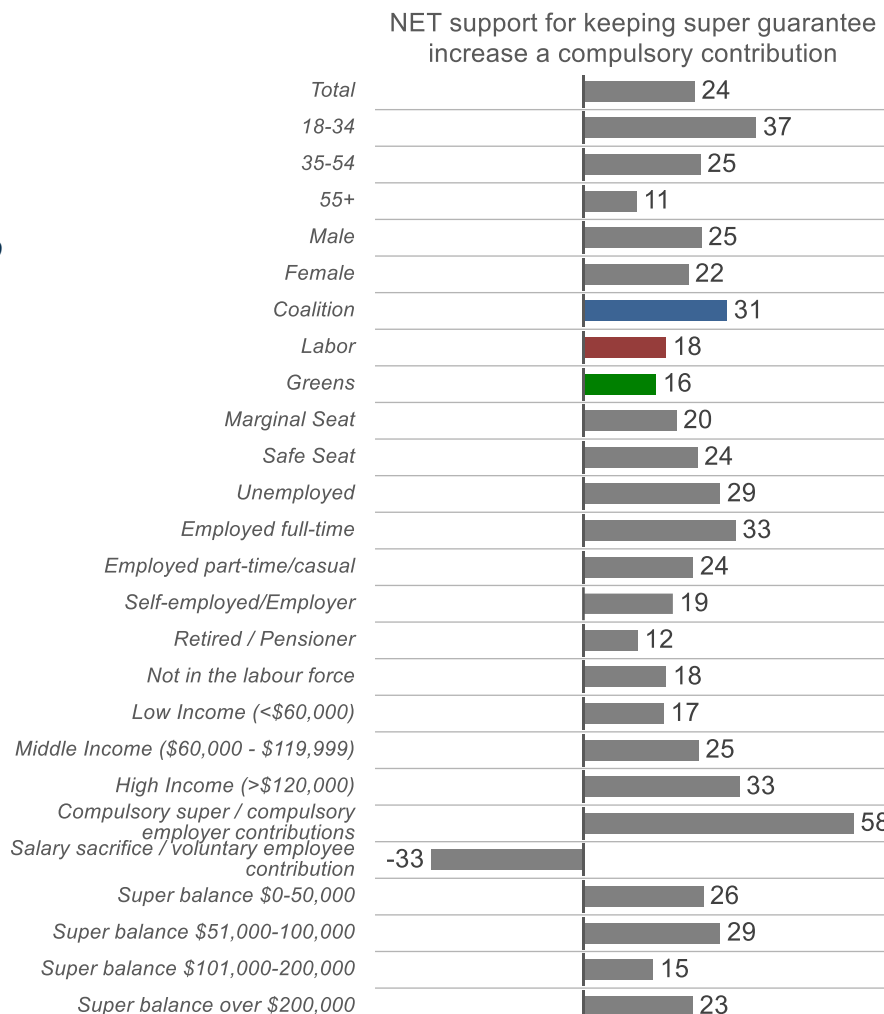
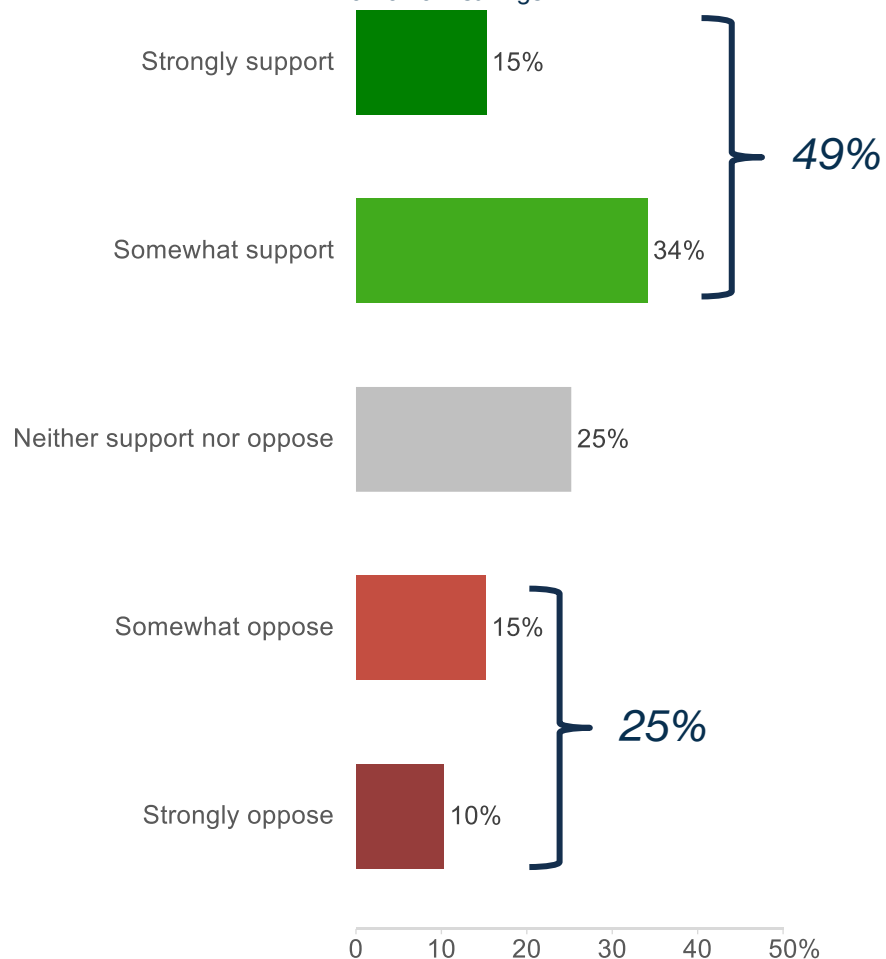
In people’s own words:

- *“Super was set up for retirement. Change messes up the system. We’ll get a bigger tax bill if people spend before they retire”*
- *“There are society issues and it’s bigger than the individual. If people blow it now, the public pick up the tab”*
- *“The tax advantage means they can’t blow it – it can’t be raided for anything – life throws circumstances at you”*
- *“If people don’t save the income tax will go up and we all suffer the consequences”*



Strong support for increase a compulsory contribution

To what extent do you support or oppose the Australian Government keeping the increased level of super guarantee as compulsory super contribution or retirement savings?



■ Around half of respondents said that the legislated increase to the super guarantee should be taken as a compulsory retirement savings contribution.

■ There are high levels of NET support for the additional employer contribution being taken as compulsory savings across various demographic, socio-economic and political groups.



Arguments for and against compulsory contribution

A small, forced saving now makes a massive difference to retirement savings over a lifetime. For the price of a cup of coffee every week, this could lead to up to an extra \$60,000 at retirement

Compulsory savings through superannuation have led people to save more than they would otherwise and reduced reliance on the taxpayer funded Age Pension

The reality is most people pay their commitments but never save on a voluntary basis. Compulsory contributions force people to do the right thing and save

If people choose their money as wages instead of super, they might not be able to retire as soon as they would like, as their super balance will be lower

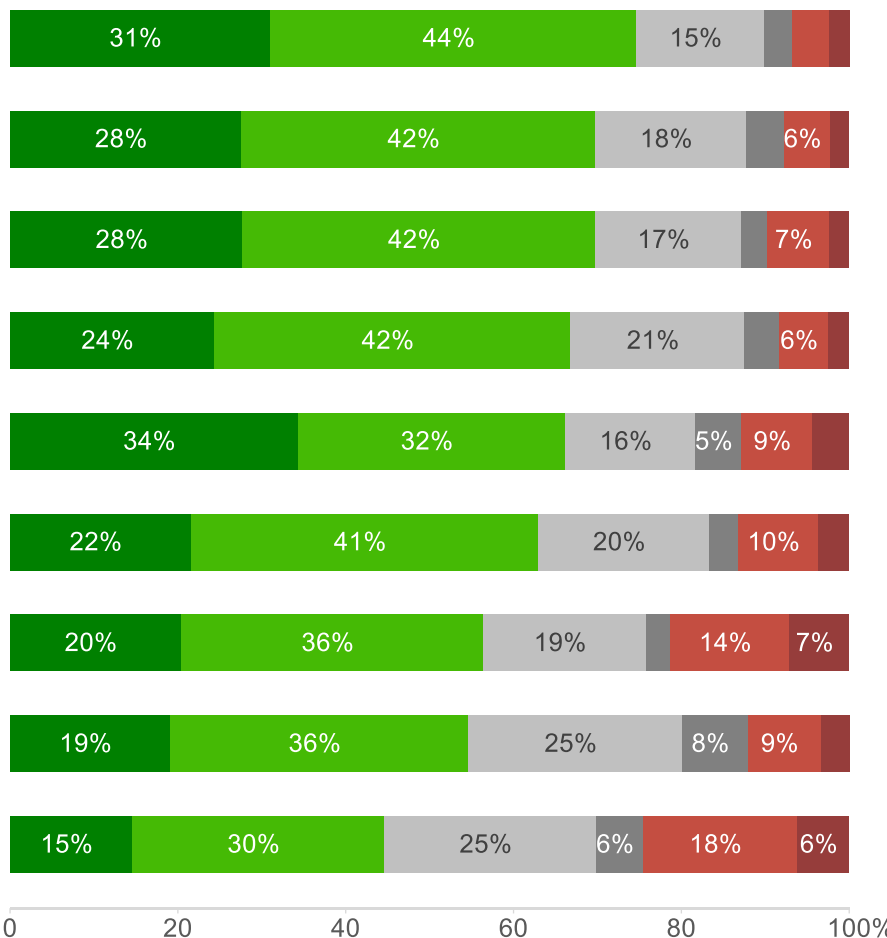
No 60-year-old ever looks back and says I wish I'd put less into super

There are a range of lifetime expenses that might be more important for people, to spend their money on now, especially those who are younger and/or on lower incomes, e.g., housing, healthcare, and student debt

It's your wage and you should have the choice to decide what's best for your future: to pocket the extra cash now or to save it for retirement

Making this increase voluntary will allow employers to pressurise their employees to take super increases as wages when they should be giving out wage increases anyway

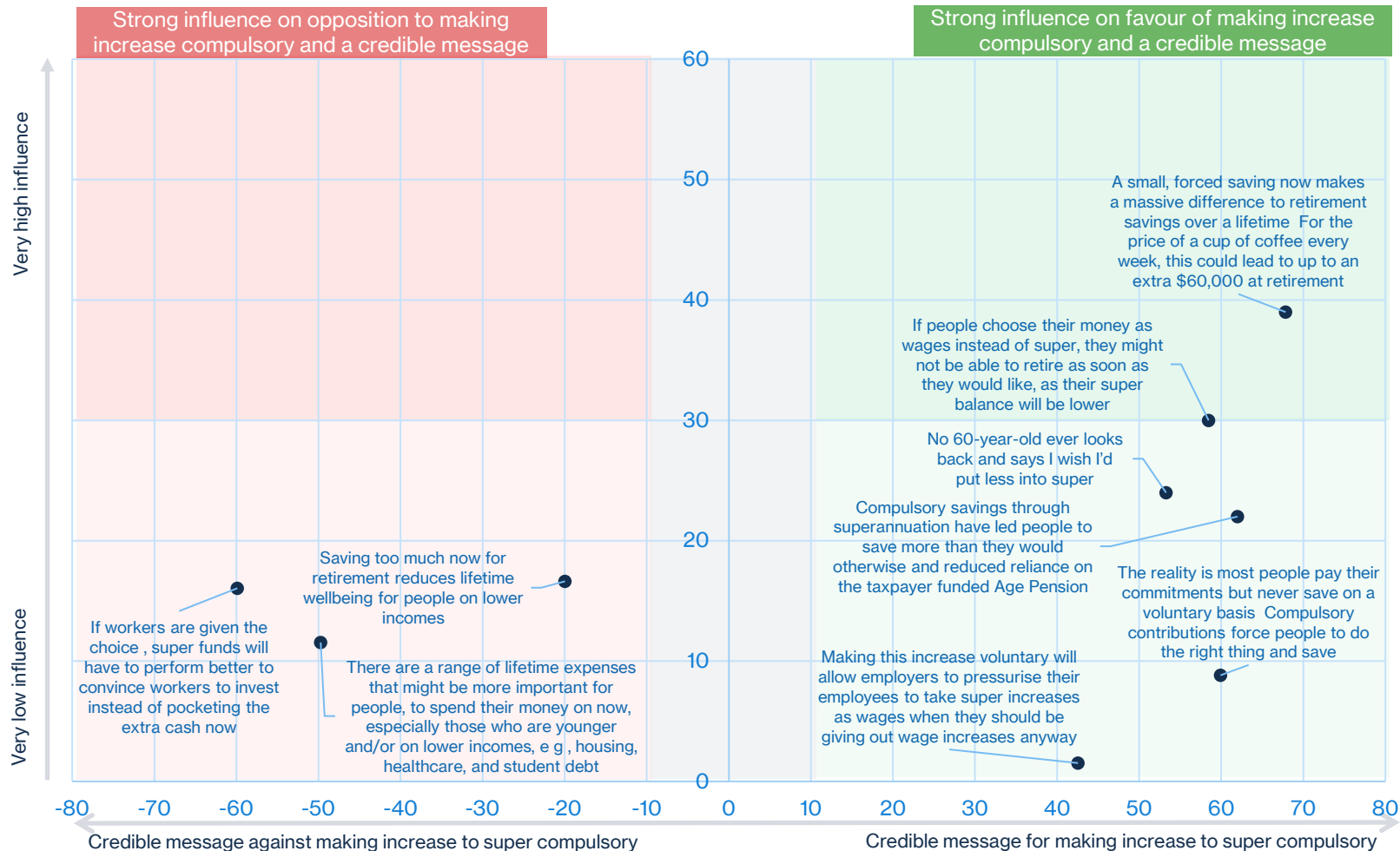
Saving too much now for retirement reduces lifetime wellbeing for people on lower incomes



■ Strongly agree ■ Somewhat agree ■ Neither agree nor disagree ■ Unsure ■ Somewhat disagree ■ Strongly disagree

- Three quarters of respondents (75%) agree that small forced savings can add up to a very big difference over a lifetime.
- 70% of Australians agree that compulsory savings through superannuation have made people save more than they would have otherwise, a similar proportion agree that compulsory commitments force people to do the right thing and save.
- Two thirds (66%) agree that if people take the money as wages then they might not be able to retire as soon as they would like to, a similar proportion agrees that no 60-year old ever looks back and wishes they had put less into super.

Driver analysis



- Driver analysis shows that Australians are more likely to be persuaded by arguments in favour of the increase being taken as a compulsory super contribution.
- The most effective argument is shown to be that a small forced saving now, will make a big difference later, and this is closely followed by concerns that people might have to work longer in order to retire.
- Arguments in favour of making the increase voluntary tend to be less influential and are viewed less credibly by Australians.



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