

MEDIA RELEASE

Only six in 10 Australians trust their super funds to act in their best interest as retirement income review begins

28 October 2019

- New research shows just 60 per cent of Australians trust their super funds to act in their best interest, only slightly more than their level of trust in their banks (54 per cent) following the Royal Commission.
- Australians' confidence that they will have enough money for a comfortable retirement continues to languish, with an average score of 5.4 out of 10.
- With the federal government's [retirement income review](#) under way, super funds must build trust with members and confidence they'll be able to live a comfortable retirement, or risk further disengagement.

Australians' trust in super funds almost as low as for banks

Australians' trust in their superannuation funds is almost as low as that for the recently scrutinised banking sector, as the federal government's retirement income review kicks off this month.

[The latest Qantas Super CSBA Retirement Confidence Index](#) (RCI) shows only 60 per cent of Australians trust their super funds to act in their best interests, compared to 54 per cent who trust their banks.

Australians in the middle of their careers were the least trusting of their funds, with the latest RCI showing barely half (52 per cent) of Australians aged 40-49 trust their superannuation funds to act in members' best interests.

The highest trust was seen among those nearing or at retirement, although this was sobering with only two out of every three (66 per cent) Australians aged over 60 trusting their super fund.

Qantas Super CEO Michael Clancy said: "It's both a worry and a wake up call to the industry that only six in 10 Australians trust their super funds to act in their best interest.

"With the government's retirement income review upon us, funds can build trust with members by improving communication and the information available to members, making financial services more transparent, consistently performing and delivering on their commitments, and understanding how they can deliver more value to members."

Confidence about retirement continues to rate poorly

Compounding the poor sentiment around super is the latest RCI of 5.4 out of 10. While an improvement over the previous RCI released in March of 5.1 out of 10, such a weak score shows many Australians still lack confidence that they will have enough money for a comfortable retirement.

While confidence is low across all demographic groups, women and those aged 30-59 were particularly lacking in confidence about their retirement.

Mr. Clancy said: "While it's encouraging to see the modest uptick in the RCI from 5.1 to 5.4 out of 10, I'm worried that so many Australian adults still aren't confident that they'll be able to enjoy a comfortable retirement.

["The 2019 Melbourne Mercer Global Pensions Index"](#) has rated the Australian retirement system as the third best in the world so there is a disconnect between the performance of the industry and how members feel. The recent Productivity Commission and Royal Commission reports included recommendations about how the superannuation system can be improved, and the government's retirement income review may produce

more again. By better educating members on the improvements they've achieved and the relative strength of the Australian super system, funds could improve their members' retirement confidence."

Five steps Australians can take to increase retirement confidence

Mr. Clancy said: "Retirement planning should be a lifelong undertaking for every Australian. There are simple and sensible first steps for everyone to consider. ASIC's [MoneySmart](#) website is a great tool".

Qantas Super's recommendations include:

- 1. Improve your understanding of how super works:** not knowing enough about how super works makes many Australians apathetic towards their retirement savings. Online education tools like [Qantas Super Fit](#) can help people make smarter and more confident decisions about their financial future.
- 2. Know your super balance:** a recent study by [Stockspot](#) revealed 15% of Australians didn't know how much super they have. People who are clear about their current situation are generally better placed to make decisions about their future.
- 3. Find and combine your super:** the ATO's latest estimate is that there's \$17.5 billion in lost super. All Australians can quickly check for any lost super via the [myGov](#) website. Many Australians have multiple super accounts and consolidating your super balances into one account is easy and simple.
- 4. Check your insurance:** Australians often have death, disability and some even have income protection insurance built into their super. It's important to understand your level of protection, what premiums you are paying and whether you need more or less cover.
- 5. Calculate how much super you need for retirement:** Calculators like the [ASFA Super Guru Retirement Tracker](#) can help you work out what income you are likely to get from super and the age pension when you retire. This can help you decide if you should make additional contributions to super now, and how long you may need to work to have the income you want in retirement.

- ENDS -

About the Qantas Super CSBA Retirement Confidence Index

The [Qantas Super CSBA Retirement Confidence Index](#) (RCI) is the only regular barometer of Australian adults' retirement confidence and asks respondents to rate their:

- confidence in having enough money to retire comfortably (a score out of 10) and
- trust in their bank and super fund to act in their best interest (a score out of five)

About Qantas Super

Qantas Super is one of Australia's largest corporate super funds. It exists for people (and their spouses) who are working or have worked for the Qantas Group. Qantas Super has been working for its members since 1939, and has over 30,000 members and about \$8.5 billion in assets under management.

About CSBA

CSBA is an Australian market research and customer experience consulting firm established in 1997. CSBA is a leading provider of customer experience research and industry benchmarking programs, providing independent research and advice to superannuation funds, financial services organisations, and other Australian businesses.

For more information, or to arrange an interview, please contact:

Ky Chow

BlueChip Communication

ky@bluechipcommunication.com.au

M: 0403 0423 59

Katy Lithgow

BlueChip Communication

katy@bluechipcommunication.com.au

M: 0422 218 972