



MEDIA RELEASE

Monday, 19 February 2024

AUSTRALIANS WANT TO MAKE THEIR OWN DECISIONS ABOUT THEIR RETIREMENT SAVINGS

Australians want control over how they spend and enjoy their retirement and do not trust the Government to direct how their superannuation savings should be consumed, a new nation-wide poll has revealed.

Polling conducted by C|T Group on behalf of the Financial Services Council (FSC) of more than 2500 Australians across the country, has found 87 per cent trust themselves over the Government when it comes to deciding which retirement products to use.

In December, the Treasurer released a Discussion Paper outlining proposals to improve how Australians spend their superannuation savings at retirement. This included a potential to default people into retirement products and a standardised product superannuation funds would have to offer their customers in the first instance.

CEO of the FSC Blake Briggs said: “National polling shows the Treasurer should be careful not to default superannuation consumers into Government designed retirement products as Australians overwhelmingly support making their own financial decisions at retirement, with the support of affordable financial advice.

“There is significant risk for the Government if they were to try and convince Australians that politicians know best determining which retirement products they should use.”

The C|T Group research shows that almost three quarters of the respondents want to choose or tailor their retirement rather than receive a default product.

In particular, 77 per cent of Australians who are between 45 to 55 years old, a politically sensitive cohort given they have saved through superannuation for their entire working lives and would be the first to be affected by the Government’s proposed changes, say they would prefer to have more control over their retirement savings instead of using a standardised retirement product.

“Consumers’ preference for control over their retirement savings is a cautionary warning to superannuation funds that are considering whether to impose ‘one-size-fits-all’ solutions onto members at retirement.

“Retirement is complex, and every family is unique, making affordable and accessible personal financial advice that tailors retirement outcomes for each household the key to delivering high quality retirement outcomes,” Mr Briggs concluded.

The C|T Group polling for the FSC reveals 70 per cent of respondents trust themselves over their superannuation fund to make decisions about which retirement products to use.

The polling also reveals that 76 per cent said they were likely to seek advice on retirement products with 62 per cent of those people likely to seek it from a financial advisor.

The findings also include:

- 73 per cent of Australians trust their superannuation fund over the Government and 70 per cent of voters trust themselves over their superannuation fund.
- 76 per cent of Australians support superannuation funds being able to provide consumers with basic advice and guidance about which retirement products to choose based on their personal circumstances and goals.
- 79 per cent of those approaching retirement (55 to 64 year olds) support retirement advice being provided by their superannuation fund.
- Australians want the Government to prioritise ensuring funds generate competitive investment returns for consumers.

- ENDS -

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.



C|T GROUP

Financial Services Council

Default Superannuation Product Research Report

February 2024

Objectives and Methodology

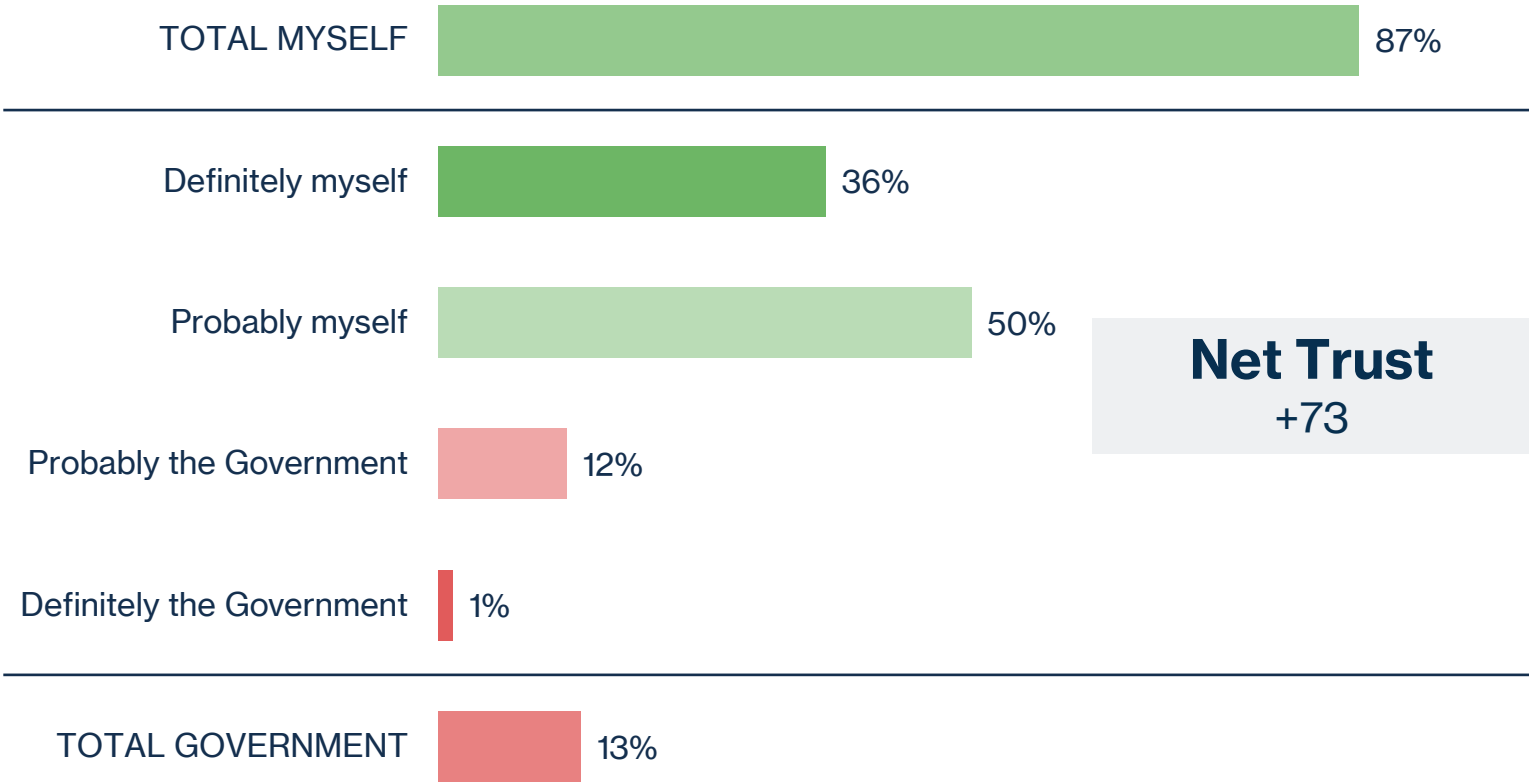
- This research intends to **identify the underlying support and opposition towards a default superannuation product among voters in Australia**, and the **ability of employees of financial institutions to provide simple financial advice** for the Financial Services Council.
 - An online survey was conducted among Australian voters aged 18+ between the dates 22 January and 1 February 2024.
 - In total, **n=2,531** participants took part.
 - Quotas and weighting were used in order for the sample to be representative by age, gender, location, education, and 2022 Federal Election vote.
 - The aggregate results are accurate to a maximum margin of error of $\pm 2\%$ (95% confidence, simple random sample; ± 4 for nets); sub samples are subject to larger margins of error.
 - Comparisons where relevant have been made to previous Financial Services Council Research Report conducted in January 2023 (n=4,021).
 - A 'net' score represents the total proportion of participants who give a positive response (e.g., 'agree') minus the total proportion who give a negative response (e.g., 'disagree').



Voters far more likely to trust themselves over Government

Trust to make decisions on retirement product

Net trust = total myself - total Government



Almost all voters trust themselves rather than the Government to decide which retirement products they will use.

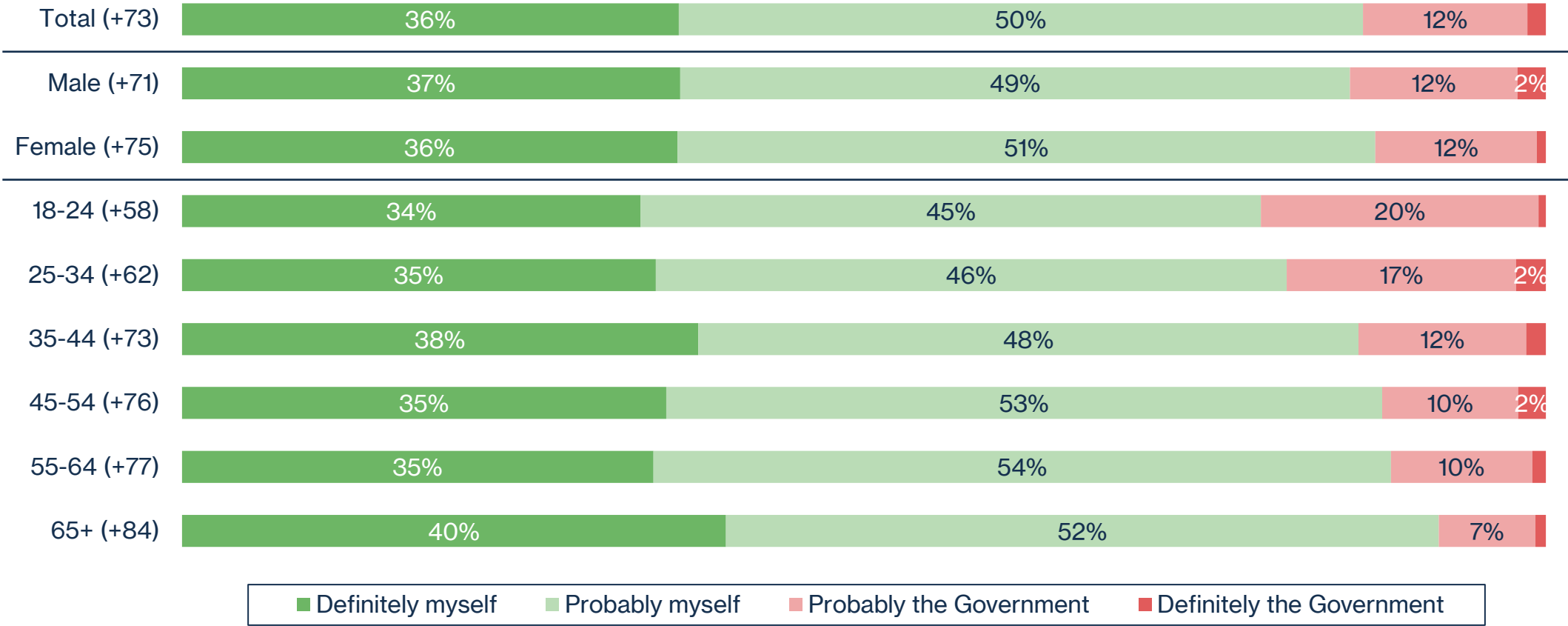
This is true across all demographic and voter groups.

Who do you trust more, the Government or yourself, to make decisions about which retirement product/s you use when you are retired?; Base: All participants n=2531

All voters more likely to trust themselves over the Govt. to make retirement decisions

Trust to make decisions on retirement product

Number in brackets: net trust = total myself - total Government

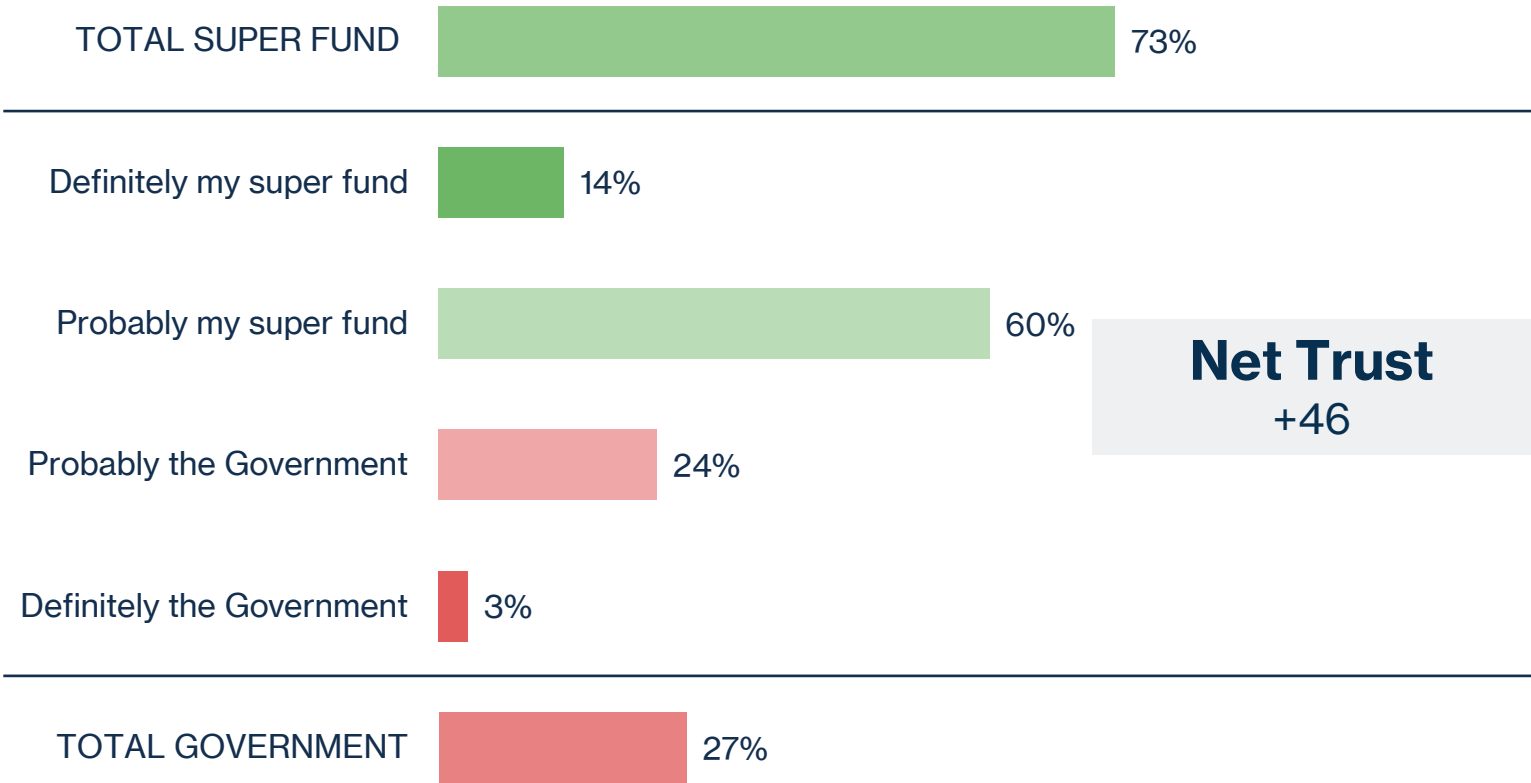




Voters trust their super fund over the Government

Trust to make decisions on retirement product

Net trust = total my super fund - total Government



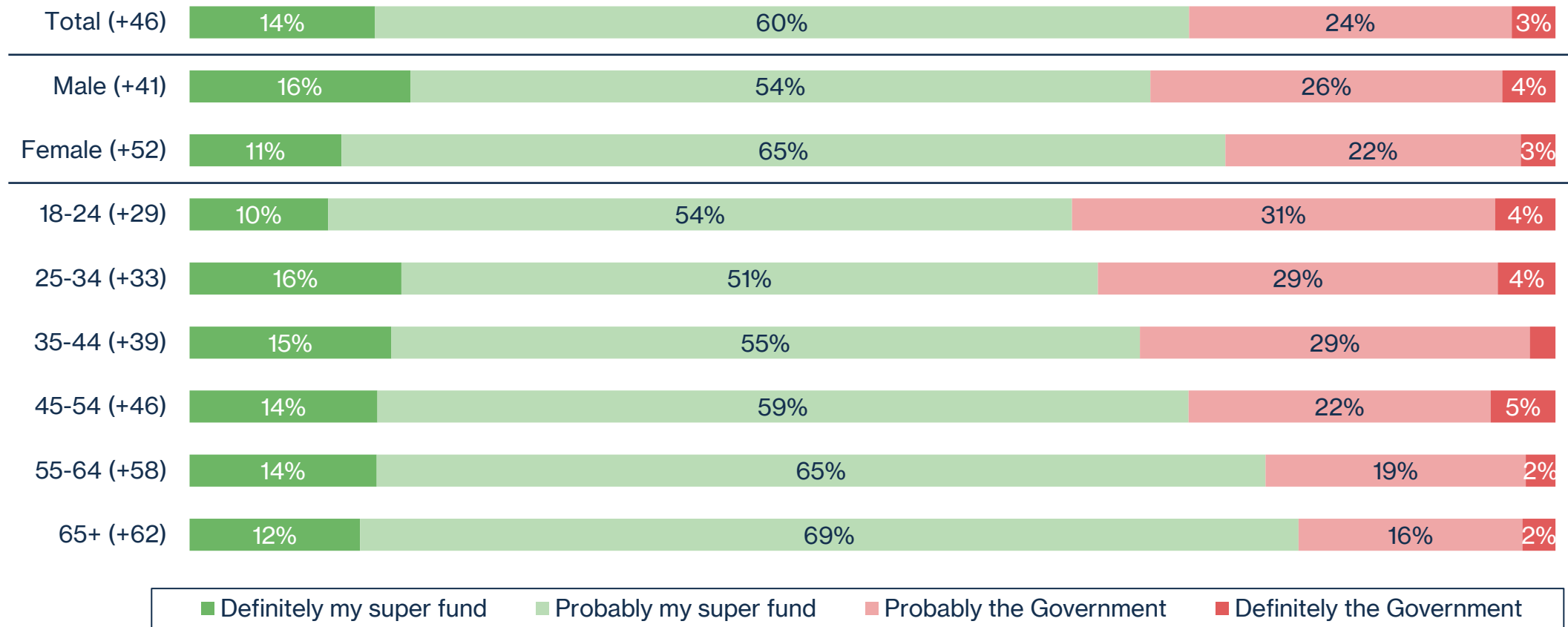
When faced with a choice between the Government and super funds, voters would rather their super fund make decisions on which retirement products they will use.

Who do you trust more, the Government or super fund, to make decisions about which retirement product/s you use when you are retired?; Base: All participants n=2531

Voters more likely to trust super funds over the Govt. to make retirement decisions

Trust to make decisions on retirement product

Number in brackets: net trust = total my super fund – total Government



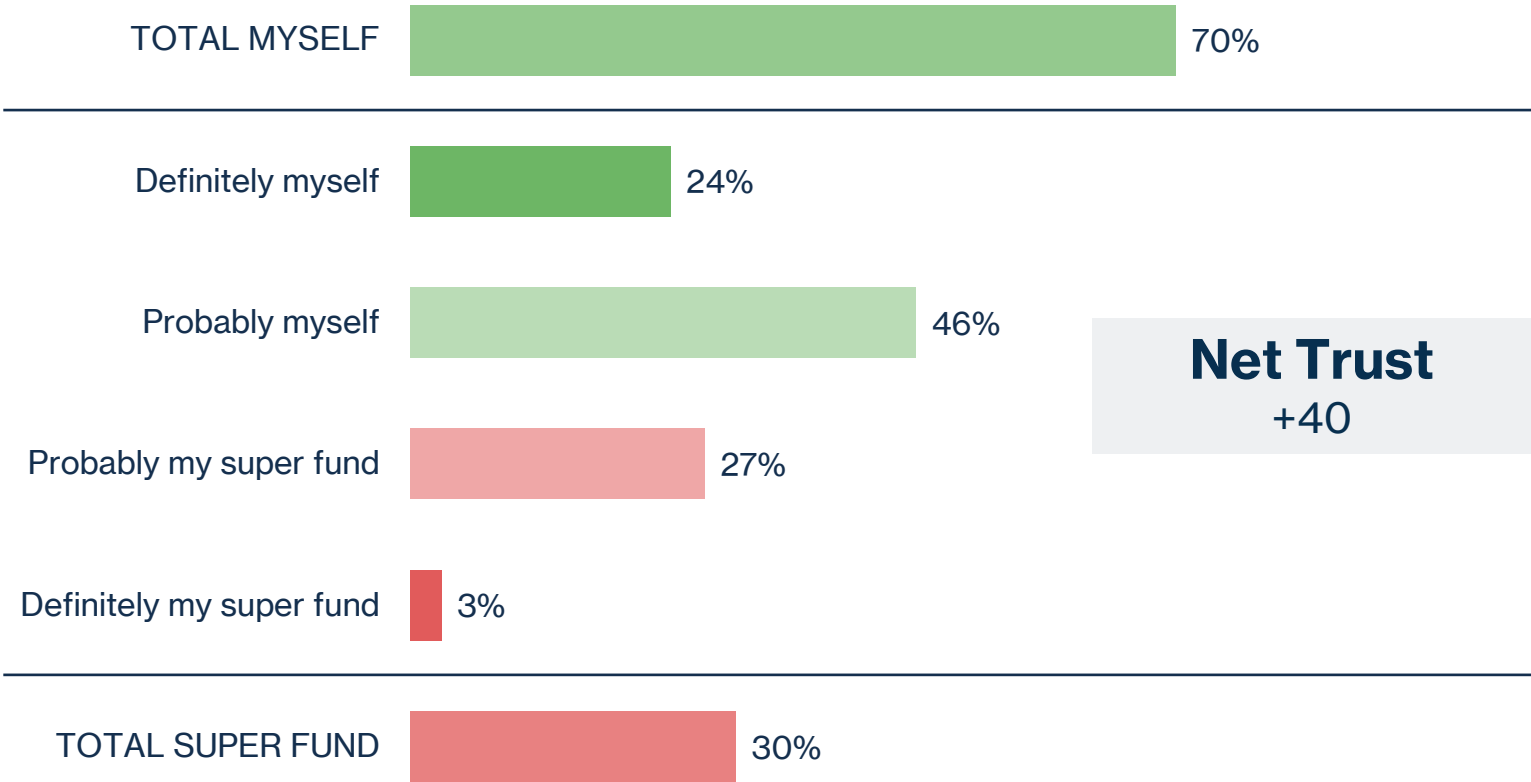
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Voters more likely to trust themselves over super funds

Trust to make decisions on retirement product

Net trust = total myself - total my super fund

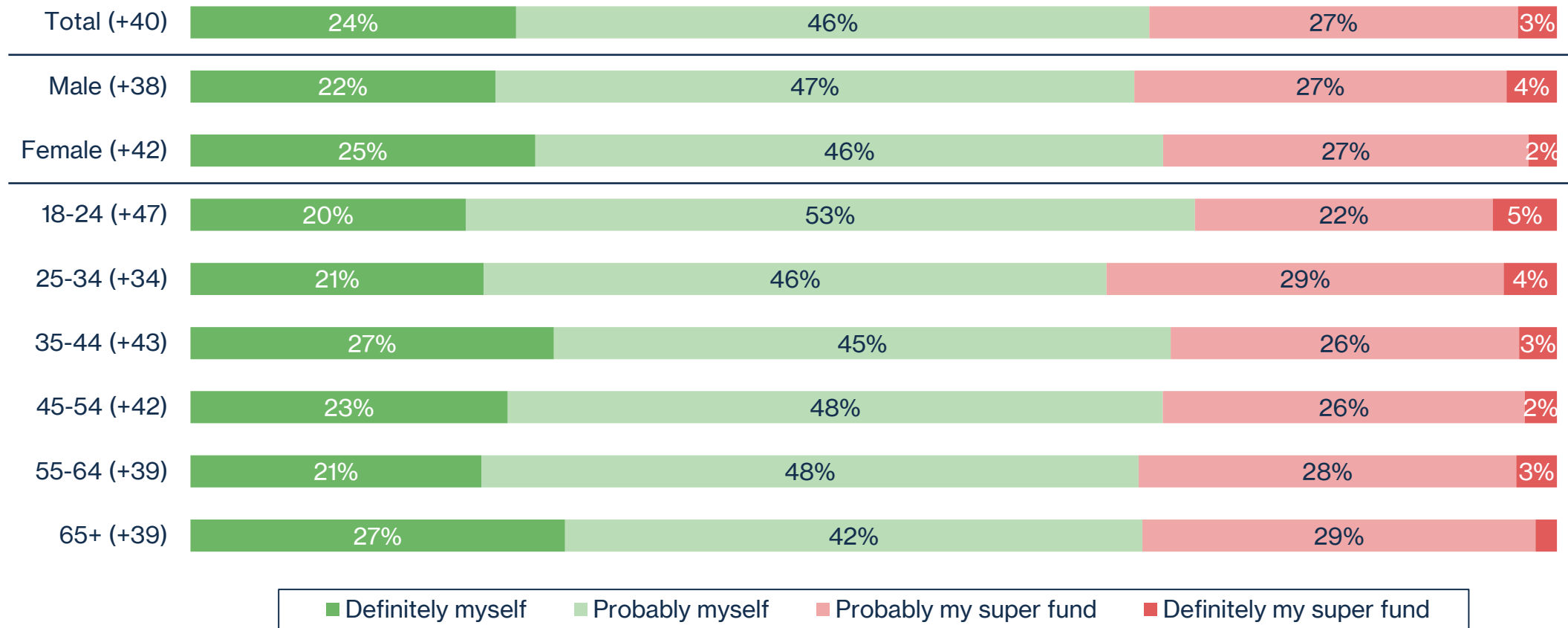


Who do you trust more, the super fund or yourself, to make decisions about which retirement product/s you use when you are retired?; Base: All participants n=2531

Voters more likely to trust themselves over super funds to make retirement decisions

Trust to make decisions on retirement product

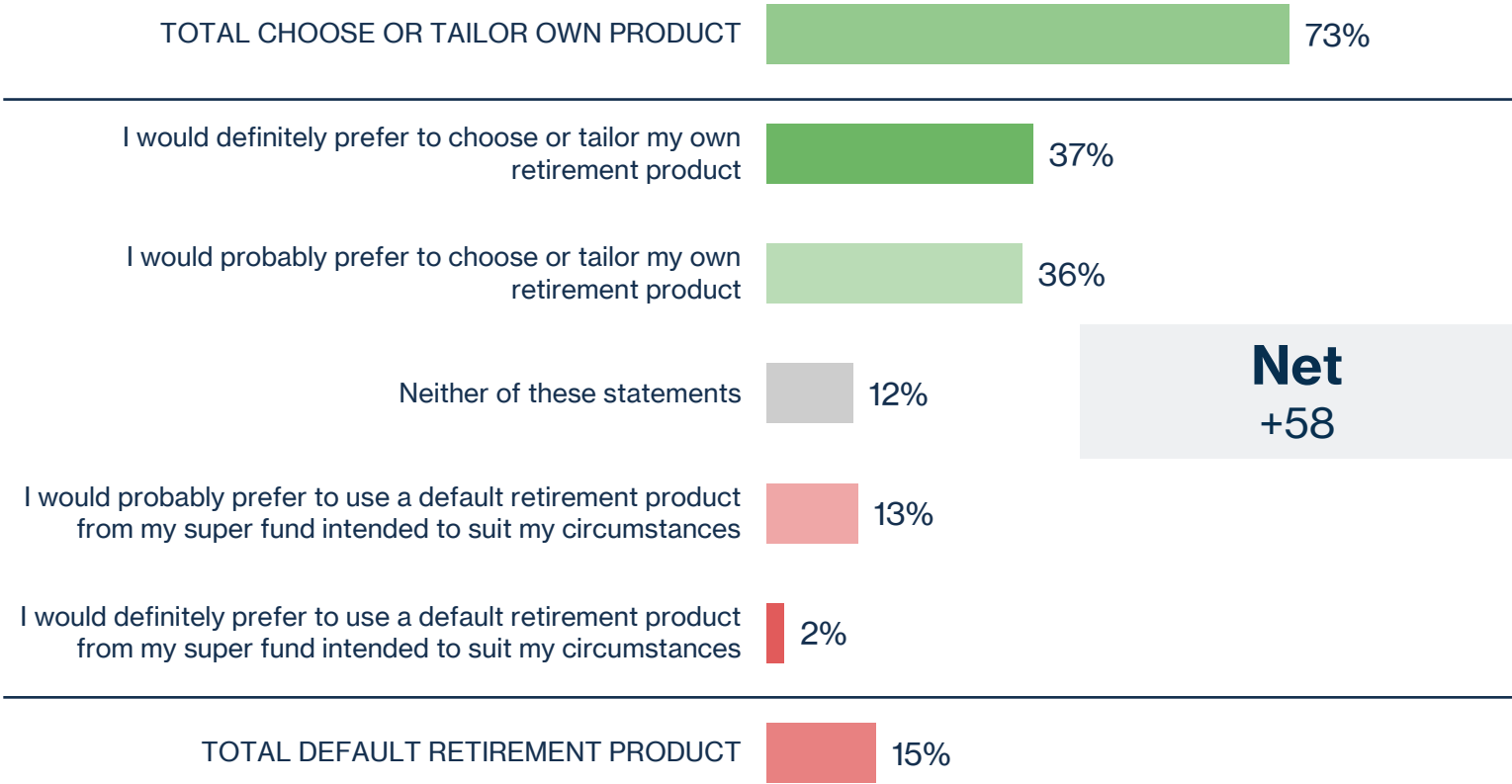
Number in brackets: net trust = total myself – total my super fund



Strong preference for choosing retirement product

Choose or tailor vs default retirement product

Net = total choose or tailor own product – total default retirement product



There is a strong consensus amongst voters that they would prefer to choose or tailor their own retirement product rather than receive a default product.

This includes 37% who report that they *definitely* would, rather than using a default retirement product.

All voters are more likely to prefer to choose or tailor their own retirement product (net +58), but particularly those aged 45+ (+65).

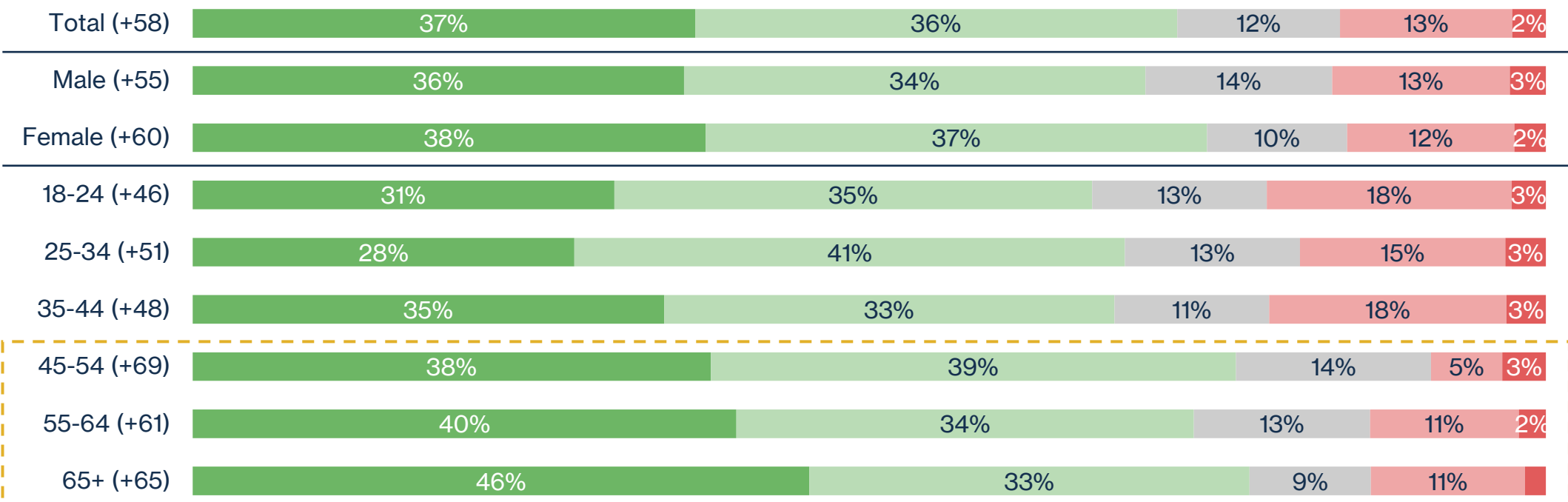
Greens voters (+70) are the most likely to want to choose or tailor, ahead of Coalition (+59), Labor (+47), and Soft Voters (+47).

Which of the statements below best describes your view on choosing your own retirement product or using a standardised retirement product?; Base: All participants n=2531

Older voters especially likely to prefer to choose or tailor their retirement product

Choose or tailor vs default retirement product

Number in brackets: net = total choose or tailor own product – total default retirement product



- I would definitely prefer to choose or tailor my own retirement product
- I would probably prefer to choose or tailor my own retirement product
- Neither of these statements
- I would probably prefer to use a default retirement product from my super fund intended to suit my circumstances
- I would definitely prefer to use a default retirement product from my super fund intended to suit my circumstances

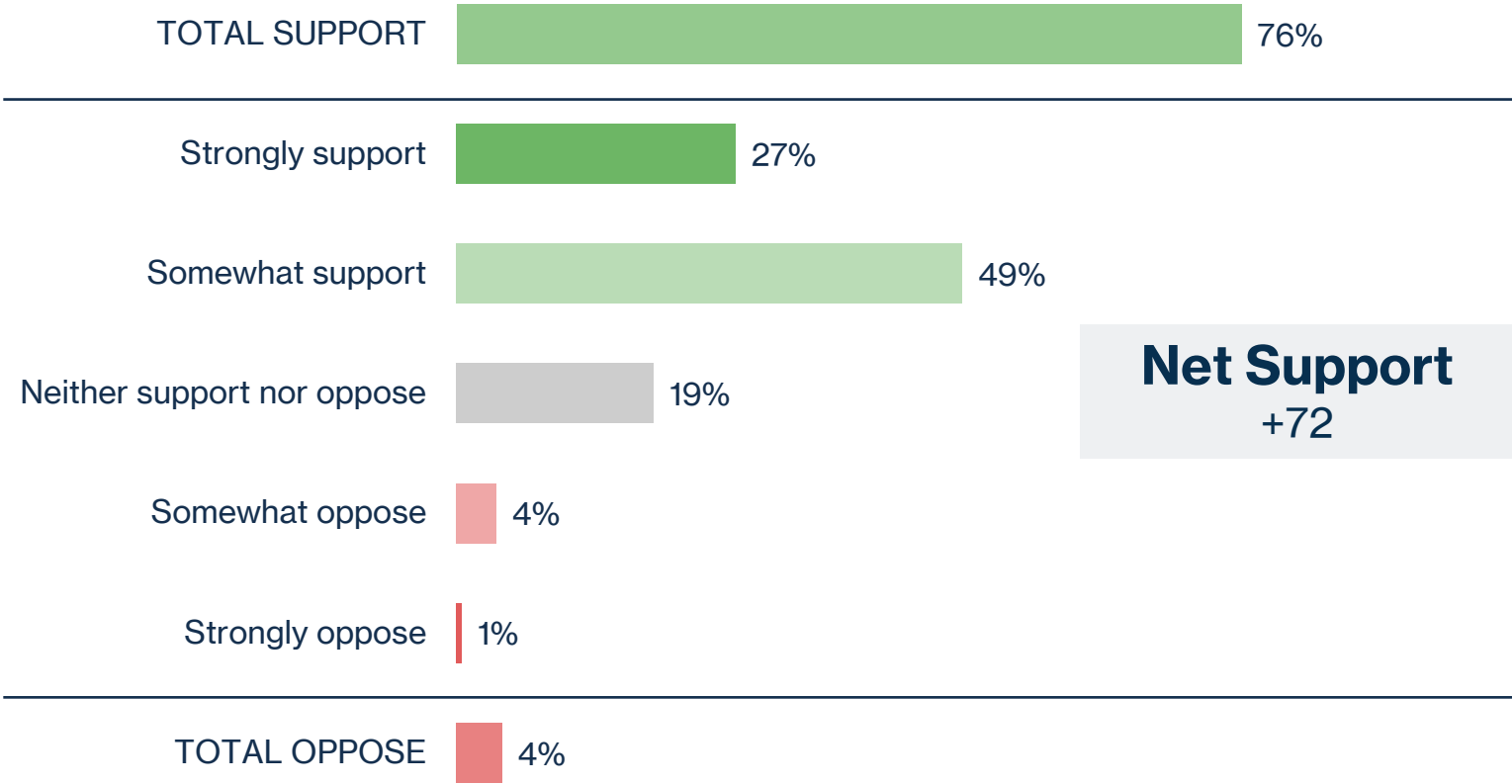
Which of the statements below best describes your view on choosing your own retirement product or using a standardised retirement product?; Base: All participants

n=2531

Strong support for basic advice and guidance

Support for retirement product advice

Net support = total support - total oppose



There is strong support amongst voters for super funds to be able to provide their members with basic advice and guidance in relation to retirement products that is relevant to their personal circumstances and goals.

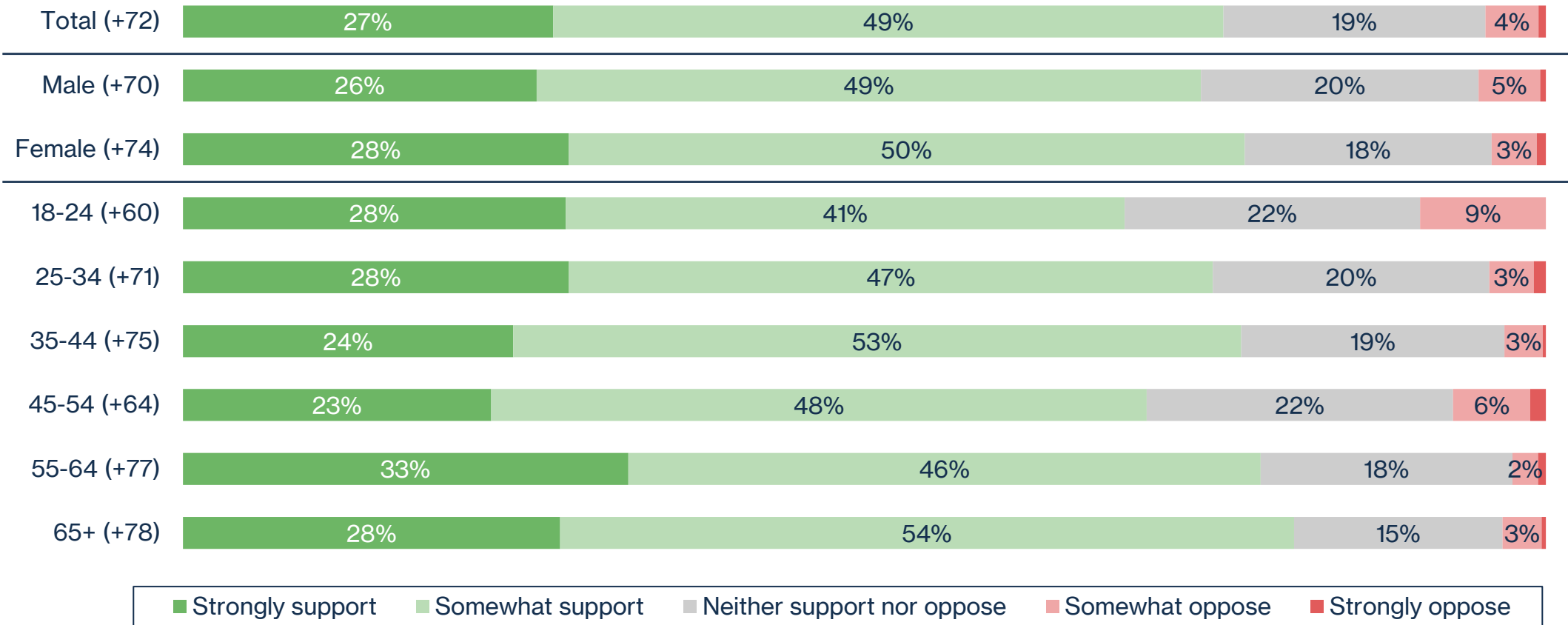
Almost no voters oppose this proposal.

To what extent do you support or oppose super funds being able to provide their members with basic advice and guidance about which retirement products to choose, based on their personal circumstances and goals?; Base: All participants n=2531

All voters support super funds providing members with basic advice and guidance

Support for retirement product advice

Number in brackets: net support = total support - total oppose

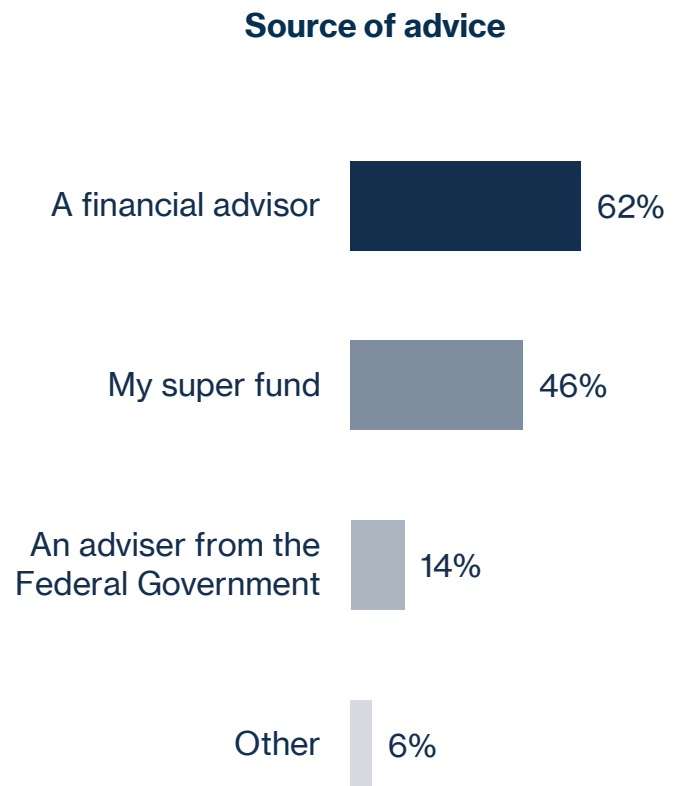
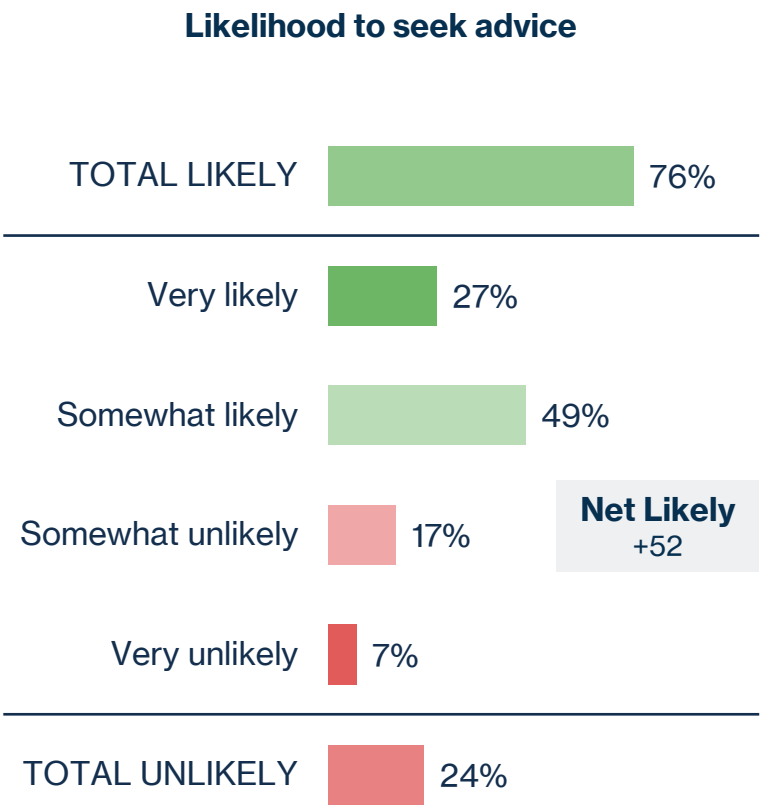


To what extent do you support or oppose super funds being able to provide their members with basic advice and guidance about which retirement products to choose, based on their personal circumstances and goals?; Base: All participants n=2531

Those likely to seek advice would do so from a fin. advisor

Advice on retirement products

Net likely = total likely - total unlikely



Most voters report that they are likely to seek advice on retirement products, and the source of this advice will be either a financial advisor or their super fund.

Voters are less likely to seek advice from the Federal Government.

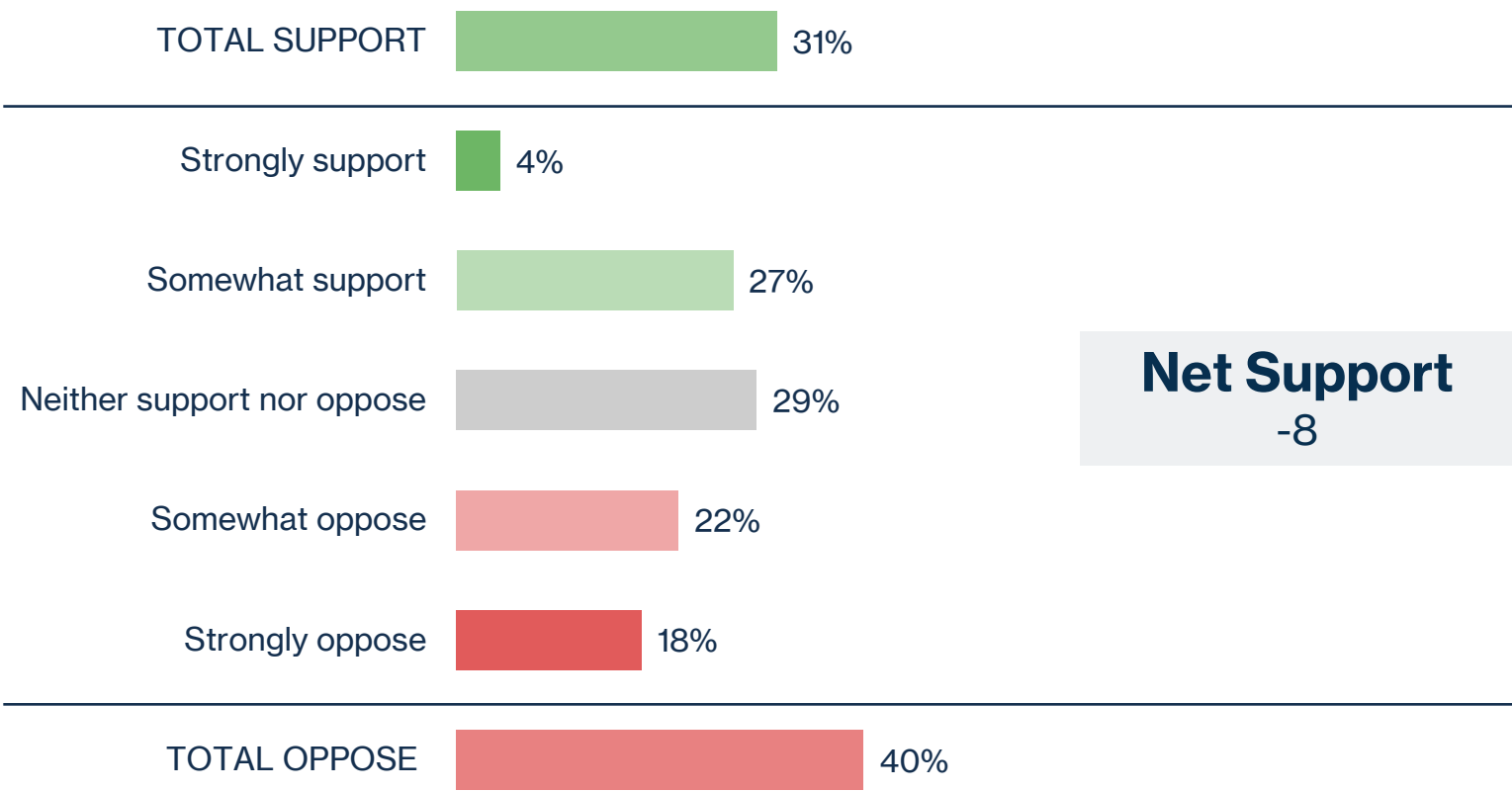
When you retire, how likely do you think you would be to seek advice on retirement products?; Base: All participants n=2531

And where would you rather get advice on retirement products from?; Base: Participants likely to seek advice on retirement products n=1958

Opposition to Government's proposed standard product

Government's proposed default product

Net support = total support - total oppose



When prompted with a description of the Government's proposed default retirement product proposal, voters are more likely to be opposed to the proposal (net -8).

Notably, 18% of voters are *strongly opposed*.

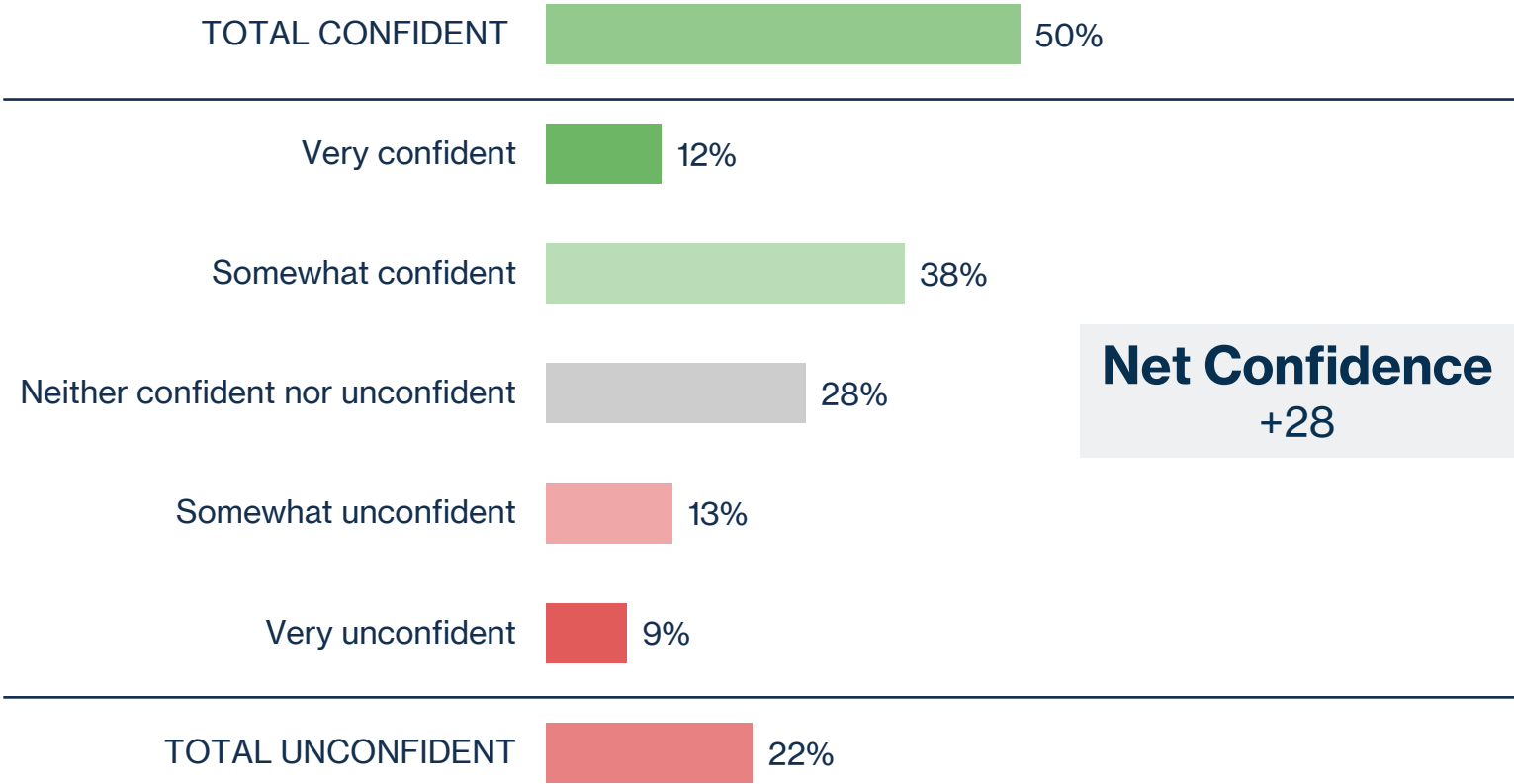
Having read the information on the previous page, to what extent do you support or oppose the proposal from the Government you read earlier? [Please see appendix 4 for full description]; Base: All participants n=2531



Most voters feel confident to manage their retirement

Confidence managing income/investments

Net confidence = total confident - total unconfident



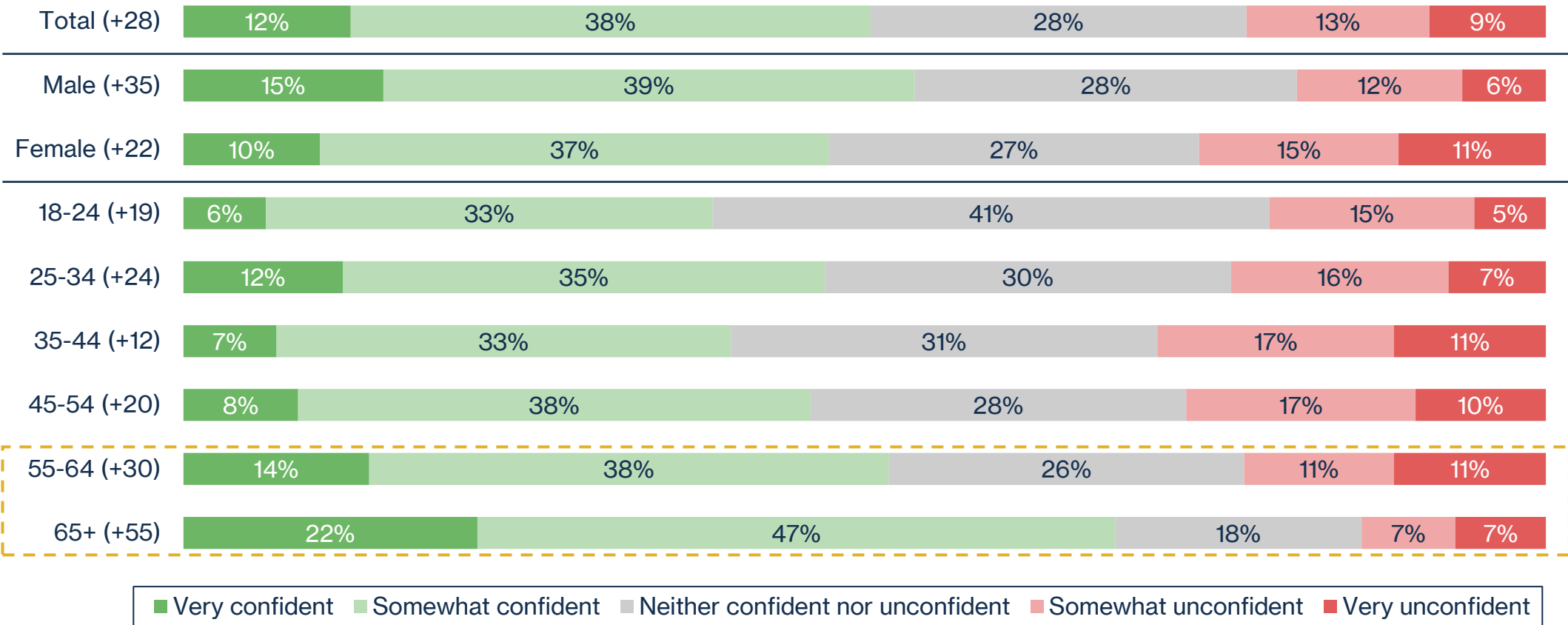
Half of voters believe they have the confidence to effectively manage their own income and investments in retirement, however only 12% report that they are *very confident*.

Thinking about your retirement, how confident are you that you will be able to manage your income and investments in your retirement effectively?; Base: All participants n=2531

Older voters are especially likely to feel confident to manage their retirement

Confidence managing income/investments

Number in brackets: net confidence = total confident - total unconfident



Thinking about your retirement, how confident are you that you will be able to manage your income and investments in your retirement effectively?; Base: All participants

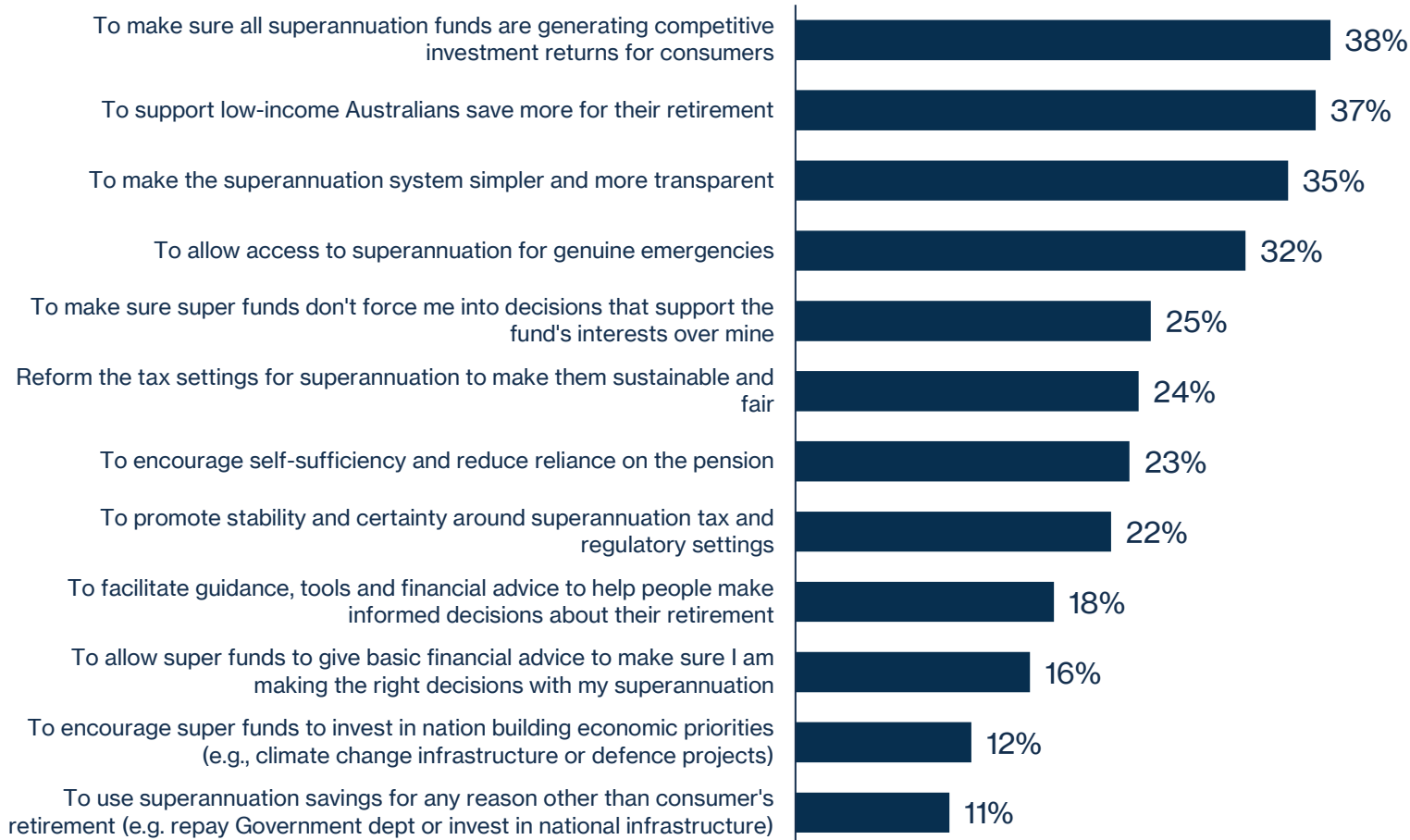
n=2531



Voters want Government to prioritise competitive returns

Superannuation Government policy priority agenda

Prompted



In line with the desire for having enough superannuation savings to fund a comfortable retirement, voters are most likely to indicate that the Government should prioritise ensuring that funds generate 'competitive investment returns for consumers' and should 'support low-income Australians save more for retirement.'

Making the system for super 'simpler and more transparent' and ensuring access for 'genuine emergencies' are also priorities.

Thinking about the role of the Federal Government below is a list of priorities others have mentioned. Please indicate what you think should be the top 3 priorities for deciding superannuation policy? ; Base: All participants n=2531



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