

New poll shows Australians want super funds that serve members not shareholders

A newly released Essential Media Poll conducted for the **Australian Institute of Superannuation Trustees** (AIST) has found that the vast majority (91%) believe default superannuation funds should return all profits to members.

The poll – based on 1,014 respondents – also found that 71 per cent of those surveyed believe an employer should not be able to select a default fund that is associated with their bank as this may not necessarily be in the workers’ best interests.

AIST CEO Eva Scheerlinck said the results showed that the public want a default superannuation system that values members, not shareholders.

“First and foremost, our default super fund system must ensure that members’ interests are protected,” said Ms Scheerlinck. “This includes ensuring that members’ interests come ahead of any employer incentives offered by banks and other companies such as access to overdrafts or loans at cheaper rates.”

The polling also showed that while more than half of respondents understand the idea of a default fund, the majority were unaware that the default fund is agreed by employers and workers when setting wage and conditions under an enterprise/certified agreement.

“When it comes to trust and reputation, profit-to-member funds are miles ahead, but issues such as poor financial literacy and lack of confidence remain a challenge,” said Ms Scheerlinck. “One in four people surveyed don’t know if they are in a default fund or not.”

On choosing a superannuation fund, research showed that women are less likely (56%) to choose their own fund than men (67%). However, women were more likely to take their old fund across to a new employer when changing jobs.

When asked why they selected their current super fund, a slight majority answered “no particular reason”. This was followed by “it was the only one offered” (17%), “reputation” (14%), and “it’s for people in my industry” (14%).

Ms Scheerlinck said a key element of the default fund selection debate would be educating super fund members about the important consumer protections of the existing default super system.

“Changes to how default super funds are selected have the power to impact millions of super fund members – particularly women who are less likely to choose their fund.” said Ms Scheerlinck.

“We need to make sure that our default fund selection process is going to work for members, not just make money for shareholders somewhere,” said Ms Scheerlinck.

The survey was conducted online from the 2nd to 5th February 2017 and is based on 1,014 respondents.

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