



SUPERANNUATION STUDY

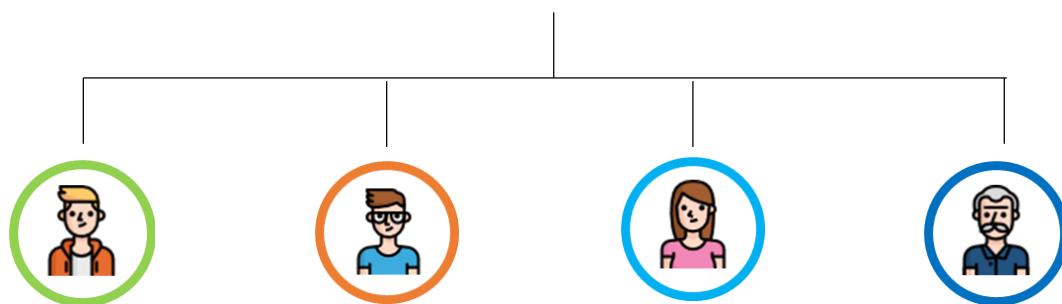
SOUTHERN CROSS AUSTEREO RESEARCH | FEBRUARY 2018

METHODOLOGY

SOUTHERN CROSS AUSTERO RESEARCH



All People 18-64 Years
N=2,511



Young Millennial
(born 1989-2000)
N=442

Mature Millennial
(born 1980-1988)
N=559

Generation X
(born 1965-1979)
N=1021

Baby Boomer
(born 1946-1964)
N=488

The data can be cut by various demographics as required.

Some slight weighting has been conducted on gender. The weighting efficiency is 99%. This is a maximum weight of 1.1483 and a minimum weight of 0.9044



Survey In Field
19th February 2018- 5th March 2018



Average Survey Completion Time :
Values Study: 19.4 mins



Device Used: 41% on mobile and
51% on Desktop

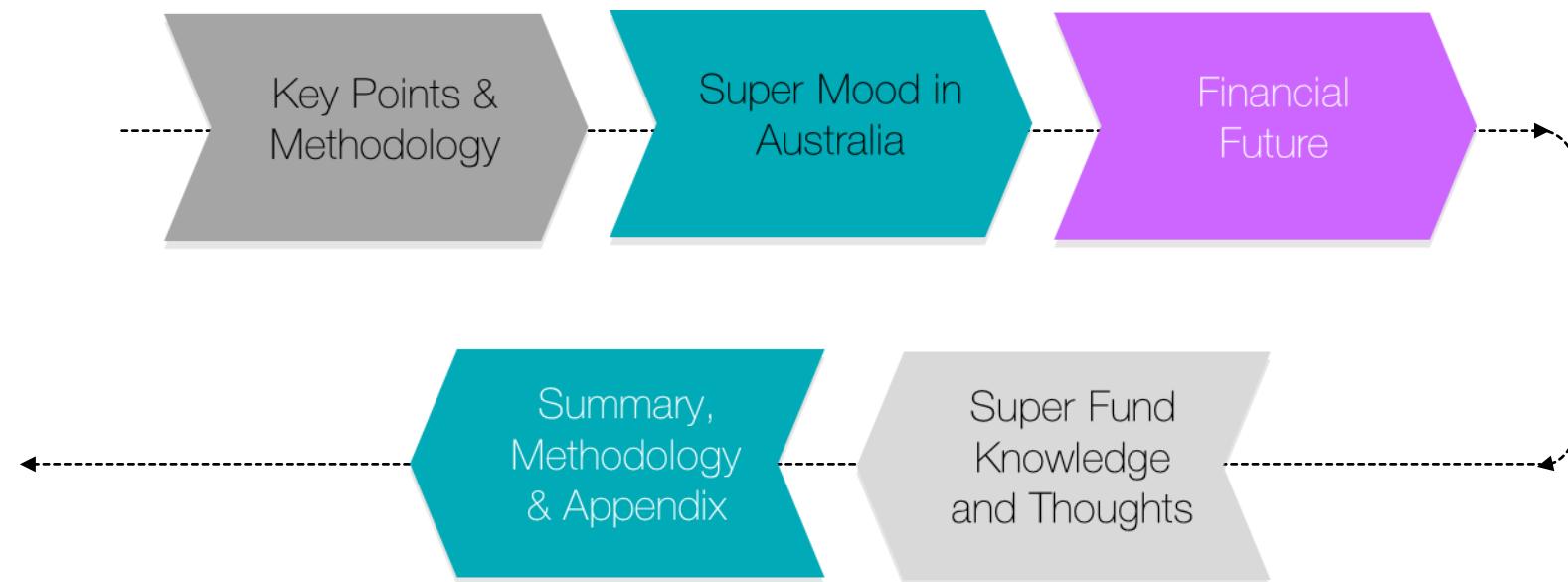
Conducted in February 2018, SCA Research sent this study to our Hit and MMM databases across the country. External sample was also sourced from TEG rewards to gain some representation from the wider population.

- Hit Database (Metro & Regional) N=853
- MMM Database (Metro & Regional) N=1,397
- TEG Database (Metro) N=256

This survey was designed to uncover what Aussie's short and long-term life outlook was with a particular focus on their financial future.

— WHERE WE WILL TAKE YOU —

SOUTHERN CROSS AUSTERO RESEARCH



KEY POINTS

There is a real sense of panic that time is running out to build their super and that they'll never be able to retire

- 49% of Aussies say they worry about running out of time to have enough money for the future
- 54% feel like they will never stop working
- Of all top concerns right now, 'being financially secure upon retirement' is the fourth largest worry amongst all respondents

They want to enjoy the best of what they have today, but need financial help to get there

- 95% of Aussies want to be doing the things they love in the future, but they don't want to be worrying about their finances
- So whilst the majority want to enjoy the best of what they have today *in the future*, 60% don't know how much money they will need to do so
- Only 1 in 7 Aussies are on their way to having enough in their super/ investments when they retire to enjoy the lifestyle they want

WORK WITH MEMBERS TO DEVELOP PERSONALISED WEALTH BUILDING STRATEGIES, HELPING THEM TO ACHIEVE THEIR FUTURE GOALS OF TRAVELLING AND FAMILY TIME IN RETIREMENT. THIS WILL LEAD TO A TRUSTED RELATIONSHIP, SHORING UP THEIR LOYALTY.

2 in 3 are trying to address their financial issues through improving their financial position or investing money in property

- After travelling more, paying off debt is a key goal for Aussies in the next five years
- Considering 91% want to be financially self-sufficient in the future, it's no surprise that they want to get rid of or reduce debt right now
- In order to improve their financial position, Aussies would consider committing to making a household budget and sticking to it, or being more cautious with grocery spending

Super frustrations centre around fees and lack of knowledge

- The key frustration people have with their super is the high fees, followed by the lack of knowledge they have about super in general, understanding regulations and the jargon
- From their super fund, they would like to hear updates on how their super is growing, how to understand change in Government rules and policies and tips for saving and investing

Super Mood in Australia



The Royal Commission has shone the light on the practices within the superannuation industry...
Aussies are starting to pay more attention and shift their super dollars around...
to where they feel the most trust.

In its August super wrap-up, the commission made a scathing assessment of the industry... which can be attributed to a shift in funds from retail (bank affiliated) to industry (member/union owned) funds:

AustraliaSuper: +48% growth in new funds YOY
(+\$6.8 Billion L6M)

HostPlus: 20,000 new members from March-August '18

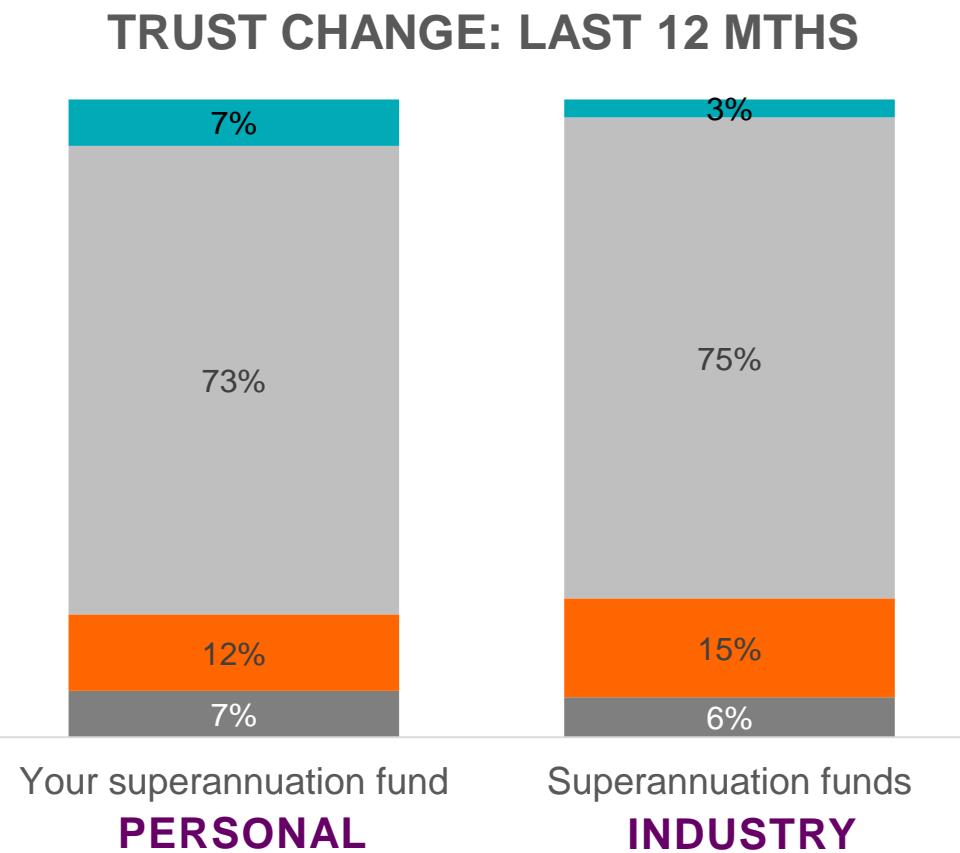
Account switching and better investment returns has contributed to the asset holdings of industry funds to exceed that of retail funds for the first time in history – \$632bn Vs \$622bn (June '18 quarter).

How can you build your trust levels and reputation to own a greater slice of the growing \$2.7 trillion super pie^?

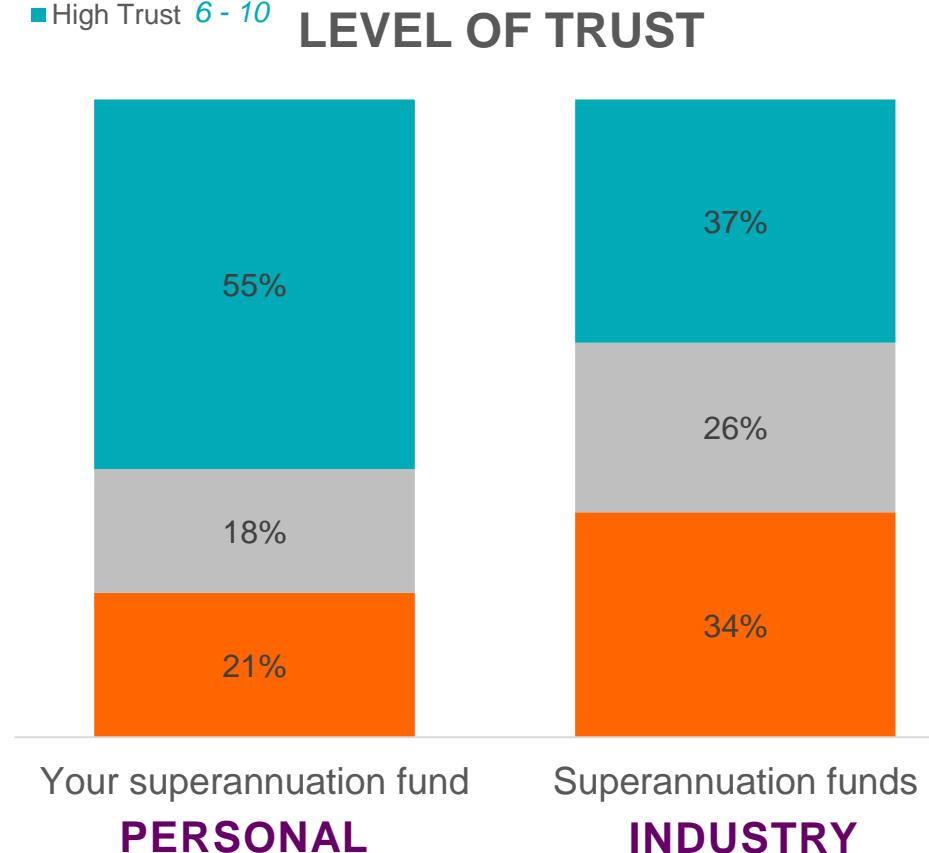


Since the Royal Commission, trust levels for the Super Fund Industry in Australia have waned. 15% of our audience hold less trust for super funds than they did 12 months ago. Results are slightly more positive for *their* super fund however negative sentiment still dominates. Currently, 1 in 3 have low trust for the industry (rating 0-4 out of 10).

- My level of trust has INCREASED compared to 12 months ago
- My level of trust has STAYED THE SAME as 12 months ago
- My level of trust has DECREASED compared to 12 months ago
- Not applicable to me

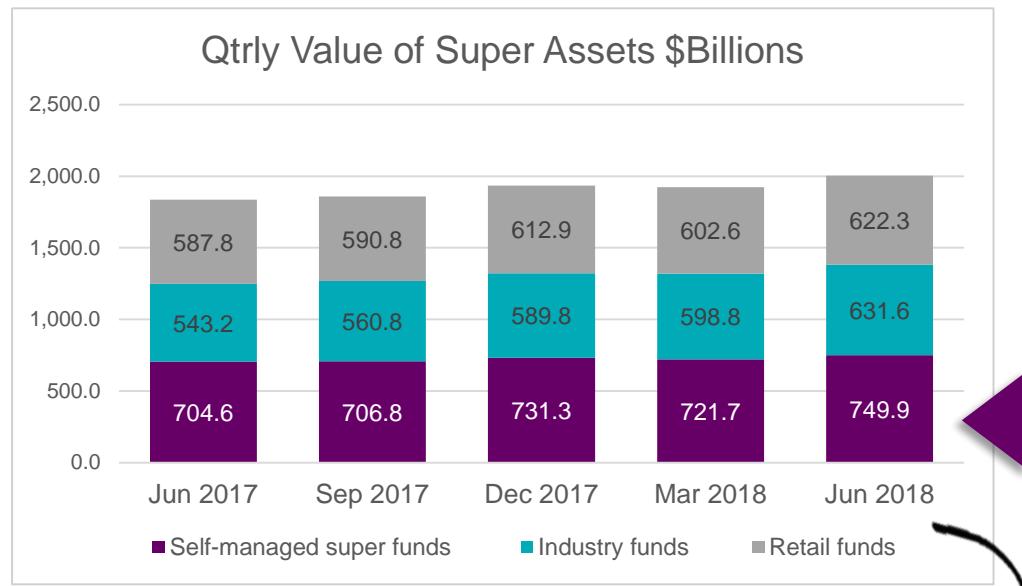


- Low Trust 0 - 4
- Mid-range Trust 5
- High Trust 6 - 10

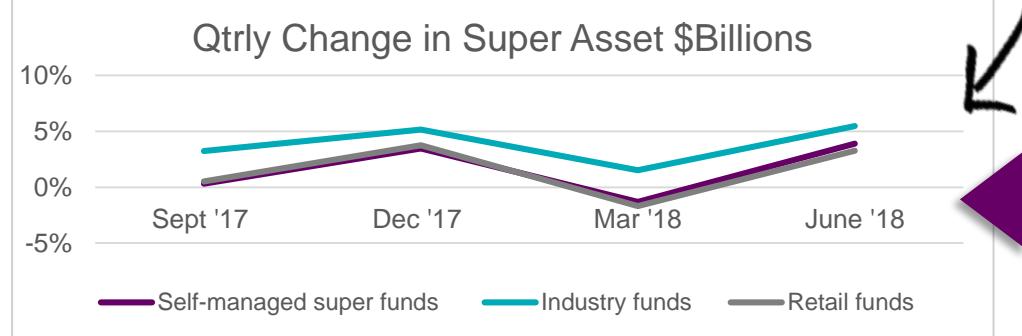


Source: SCA Royal Commission Study I November 2018 | Q: On a scale of 0-10, what is your level of TRUST in the following brands and institutions? With 0 being No Trust, and 10 being Extreme Trust. Q: Has your level of trust in them INCREASED or DECREASED compared to 12 months ago? All People 18-54 years Metro & Regional N=680.

Perhaps due to this lack of trust, many Australian's are in fact choosing to dismiss all types of superannuation organisations and opt to self-manage at a growing rate. The largest super value is wrapped up in self-managed funds. Who better to trust, than yourself?



SMSF
HOLDS THE
LARGEST
SLICE (37%)
OF THE
SUPER
WEALTH PIE



INDUSTRY FUNDS
HAVE THE
STRONGEST
GROWTH RATE –
SMSF GROWTH
ON PAR WITH
RETAIL

Is it just the trust factor that is driving people to self-manage? Flexibility, ease, choice and less fees may be factors to consider in order to win back customers to your fund.

However, Aussies are remaining to be largely disengaged with their super, with 40% of workers having more than one super account, barely down from 45% five years ago and this is despite the industry pushing people to consolidate. *\$2.6 billion each year is eroded from member's balances through the 10 million unintended multiple accounts.*

40% of the 14.8 million Aussies who have a super account, hold ***more than one account***

=
Close to **6 million** people paying multiple sets of fees

By consolidating super into one account means the typical worker will add \$51,000 to their retirement balance by the end of their working life.

Source: "Follow the money; retail superannuation funds face day of reckoning" The Guardian, 11/10/18 (data from Productivity Commission – 60%/55% of workers with one super account, comparing 2017 to 2013).

How can you develop a stronger engagement level with current and potential customers to maximise their retirement fund?

The outlook for the Super industry...

THE PAST

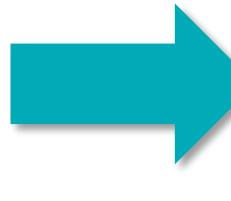
On 1 July 2014, compulsory super contributions were increased from 9.25% to 9.5%. The Federal Government announced a freeze on future increases, setting the super guarantee at 9.5% until 2021.

The MySuper initiative was introduced on 1 July 2013 and replaced the traditional default option provided by super funds, making super more transparent and different funds more easily comparable.

The Murray Financial System Inquiry final report, released in December 2014, also reshaped the regulatory environment.

The report identified the super system as not delivering retirement incomes efficiently, and recommended measures to create clear objectives for funds to provide sufficient retirement income for members.

Major changes were proposed in the 2016-17 Federal Budget and implemented on 1 July 2017 - a \$1.6 million transfer balance cap, a \$25,000 annual concessional contributions cap, a \$100,000 annual non-concessional contributions cap, first-home buyers allowed to withdraw voluntary contributions of up to \$30,000, which are taxed at a lower rate, to put towards their first home.



THE FUTURE

The freeze on Superannuation Guarantee increases and the caps on concessional and non-concessional contributions are likely to constrain the Superannuation Funds industry's growth over the next five years.

However, the industry is forecast to continue growing over the period, as its expanding asset base supports increased investment revenue.

The performance of the global economy and sharemarkets abroad also influence the industry, and any slowdown is likely to affect superannuation funds due to the increasing globalisation of financial markets.

Assets under administration are forecast to increase at an annualised 10.0% over the same period, to \$4.8 trillion.

Overall, Australian's don't seem to be engaged in preparing financially for retirement, however they are definitely dreaming of how they will spend their time in retirement... HELP THEM BRIDGE THE GAP.

1 in 4

Aussies are planning
how they will spend
their time once retired

This jumps to 38% when looking at Baby Boomers but
1 in 7 Young Millennials are already planning!
For 1 in 3 Aussies, retirement is about being selfish
about what they want to do with their time.



Source: SCA Research Superannuation Study Feb 18 | Q. Just a few more... Could you please tell us whether you agree or disagree with the following statements? | All People 18-64 Years | N=2,511

Financial Future



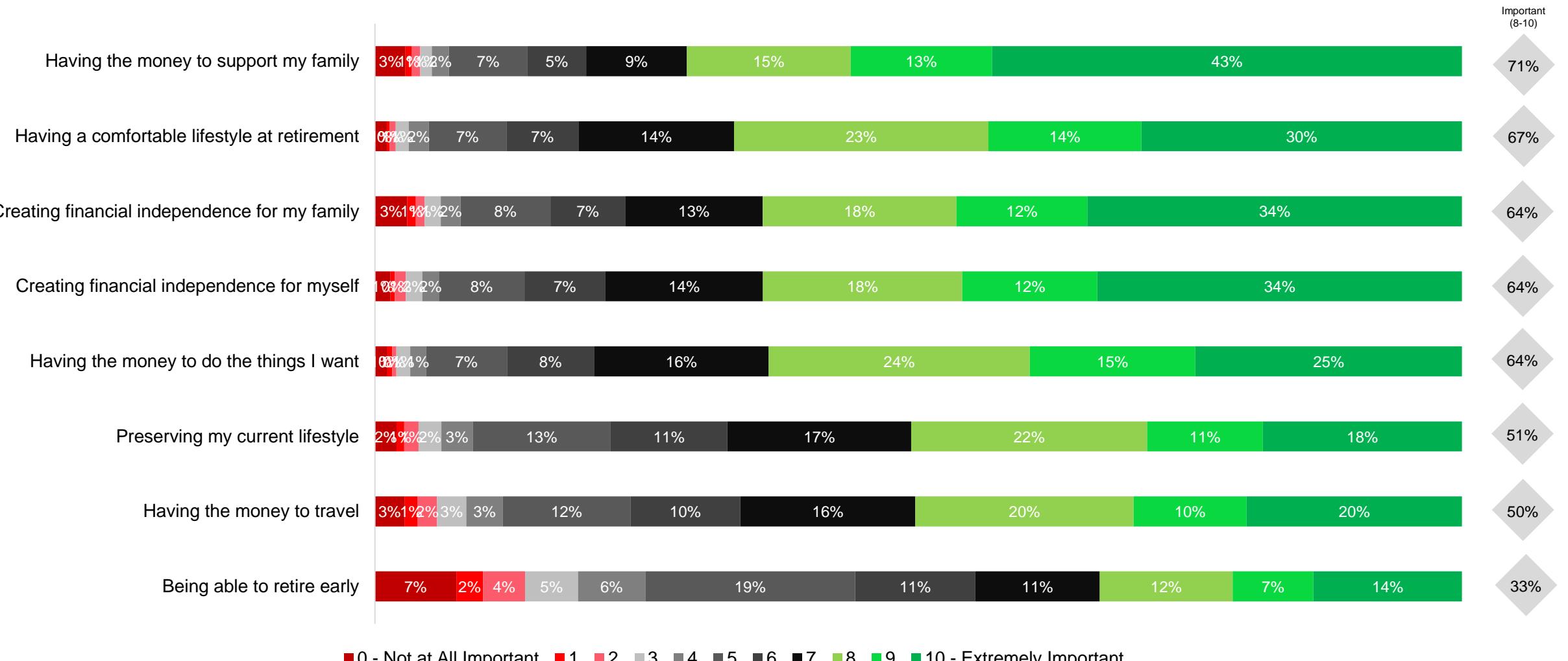
95% of Aussies want to be doing the things they love in the future, but they don't want to be worrying about money whilst doing so. The majority want to enjoy the best of what they have today in the future, but the cost of this is unknown: 60% don't know how much money they will need to do so.



Having the money to support their family in the future is most important to respondents.

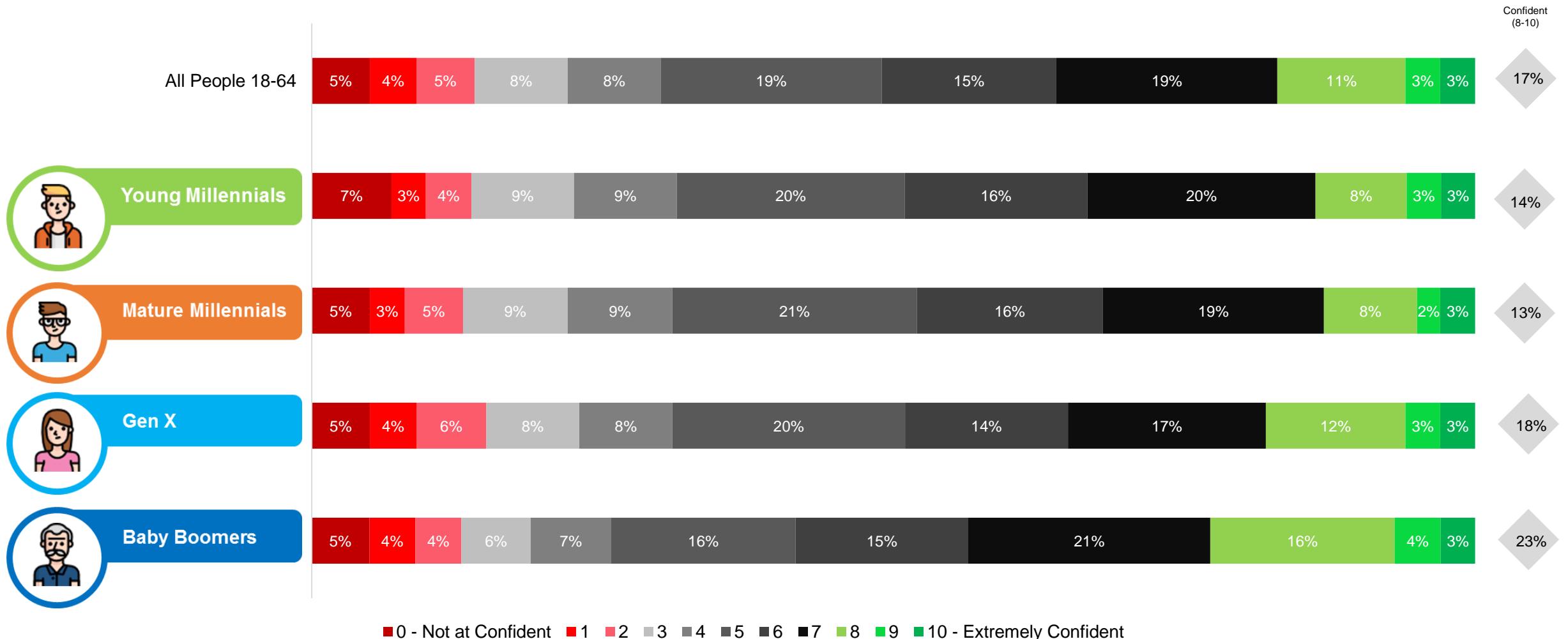
Because Aussies want to have a comfortable lifestyle when they retire, many don't see early retirement as that important to them. They would rather keep working, in some capacity, in order to have the things that they want and have financial independence.

Q. Thinking about your financial future – how important are each of the below to you?



Only 17% of Aussies are feeling confident financially that they will be able to live and do the things they want in the future.
 Baby Boomers are the most confident as they are edging closer to retirement and know how they are financially placed for the ‘future’ - which is now – however they still only sit at under 1 in 4 feeling confident. Retirement is a distant concept for Millennials, leaving this younger set scratching their heads as to the impossible feat of building a large super pool to live off in retirement.

Q. How CONFIDENT are you feeling financially that you will be able to live and do the things you want to in the future?

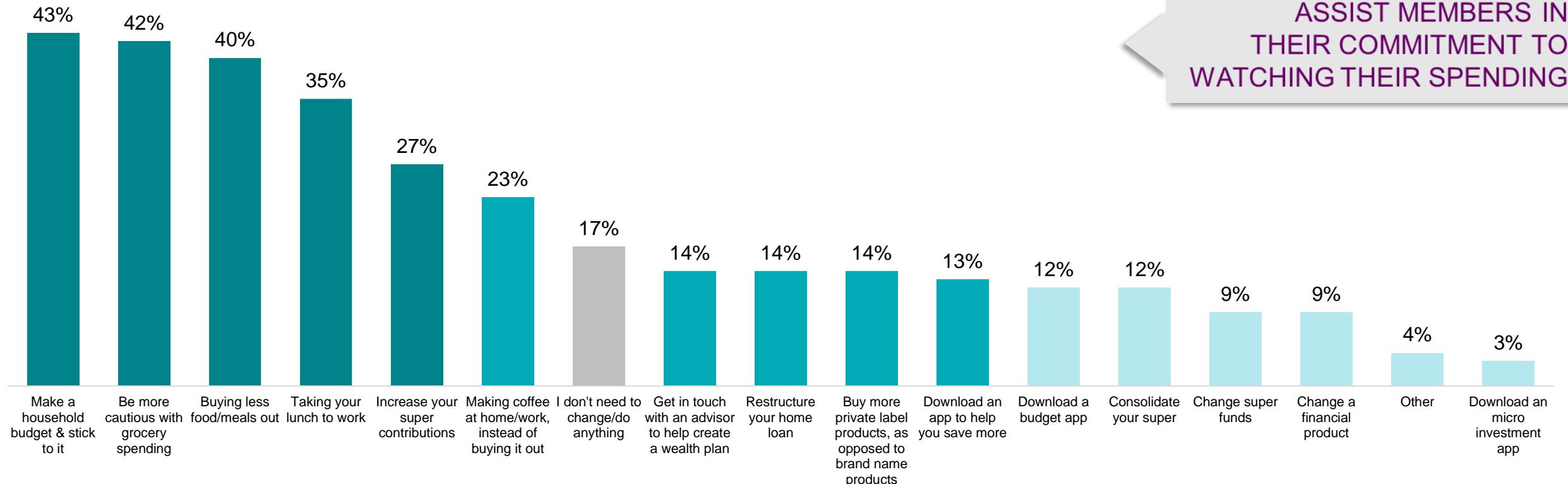


Source: SCA Research Superannuation Study Feb 18 | Q. How CONFIDENT are you feeling financially that you will be able to live and do the things you want to in the future?
 | All People 18-64 Years | N=2,511

In order to keep doing the things they enjoy today in the future, Aussies just want to be cautious and aware of their spending. Whether this is making a budget and actually sticking to it, or being more cautious around their grocery spending.

Interestingly almost 1 in 5 believe they don't need to change or do anything. This is being driven by males (20% versus 14% of females), and Baby Boomers were this jumps up to 33% (which makes sense as Baby Boomers are the most financially confident).

Q. Which of the following would you commit to doing now, that could help you keep doing what you enjoy today, in the future?



Super Fund Knowledge and Thoughts





Of Aussies don't know how much super/investments they would need when they retire to enjoy the best of what they have today

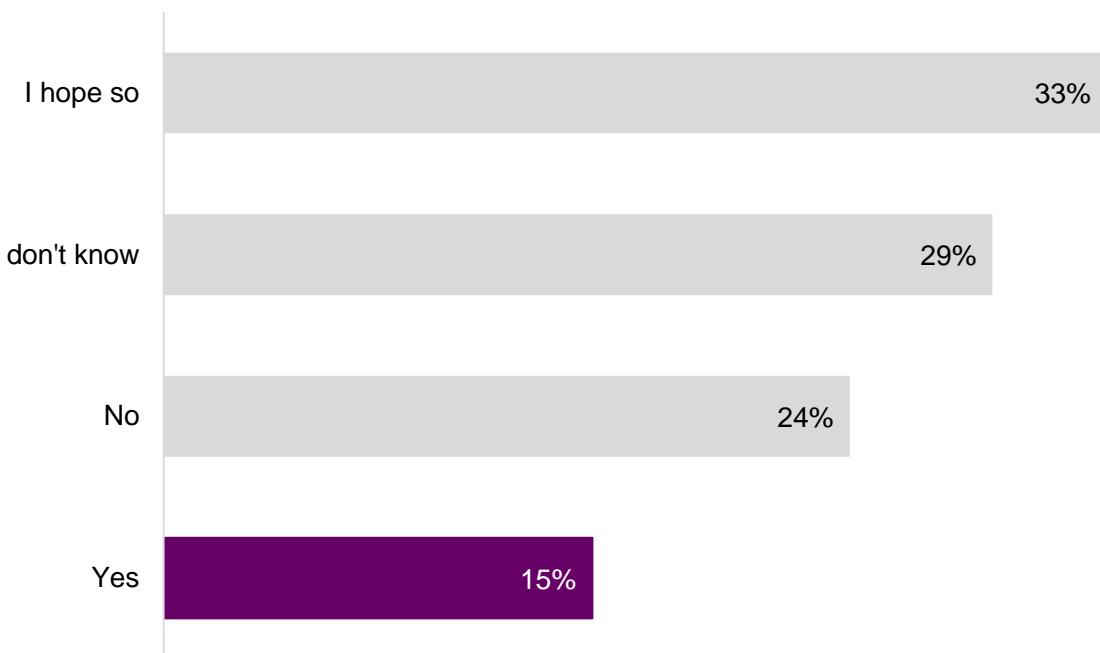
Yes- 32%
No- 35%
I don't know- 33%



They don't know how much they'll need and most aren't on their way to having enough...

Only 1 in 7 Aussies are on their way to having enough in their super/ investments when they retire to enjoy the best of what they have today.

Q And are you on your way to having that particular amount in your super/investments when you retire?



Source: SCA Research Superannuation Study Feb 18 | Q. Do you know how much super/investments you would need when you retire to enjoy the best of what you have today? N= 2,446 | And are you on your way to having that particular amount in your super/investments when you retire? N=2,446 | All People 18-64 Years

Almost

1 in 3

Aussies don't know how much money they have in superannuation

Q. Do you know approximately how much money you have in superannuation?

Whilst the majority of Aussies know approximately how much money they have in super (64%), almost 1 in 3 don't. It's also interesting to point out that men are much more likely to know their balance than women (73% versus 56% of women).

As expected, the older you get, the more likely you are to be aware of the balance.



42% of Young Millennials
know how much they have
in superannuation



57% of Mature Millennials
know how much they have
in superannuation



69% of Gen X know how
much they have in
superannuation



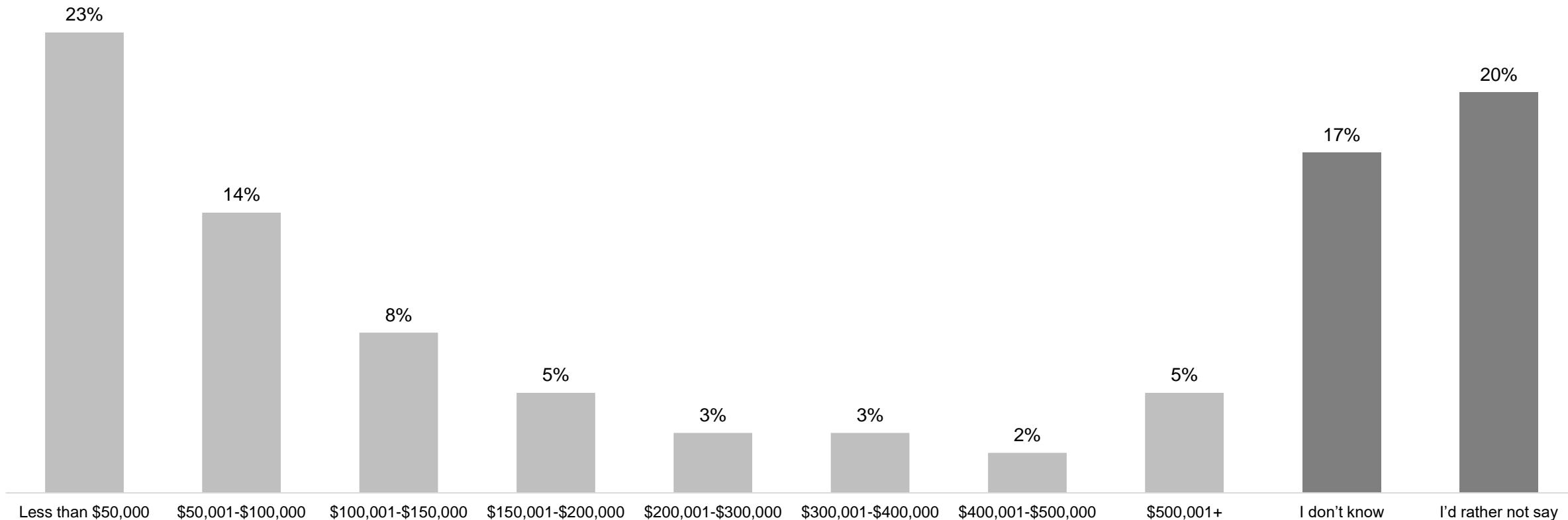
81% of Baby Boomers
know how much they have
in superannuation

Almost 1 in 5 Aussies don't know the approximate value of their super and investments.

Only 1 in 20 Aussies have more than \$500k in super and investments. This remains the case until you look at Baby Boomers, in which case it jumps up to 13%. Women are less likely to know the approximate value (21% versus 12% of males).

Considering 84% of Aussies want to own their own home outright in the future, many Aussies may be looking at how to increase the value of their super and investments in order to achieve this goal.

Q. *What is the total approximate value of your super and investments?*



Over half of Aussies believe they will never stop working, and that they are running out of time to have enough money for the future. This worry is driven by Gen X. Whilst Baby Boomers are the most trusting of their super fund (52%), only 30% of Young Millennials trust their super fund is doing the hard work for them.



Unsurprisingly, fees are the biggest frustration with super funds, with 25% mentioning fees in their unprompted response.

It was interesting to note that another key frustration stems around 'knowledge'- whether it be they have never been taught how super works, why it fluctuates, how the changing rules and regulations affect them or the complicated language used in statements.

Too many fees

- *Being taxed on your investment*
- *All if the fees that you get on top, hard to save with so much expense*
- *Complexity and the amount of hidden fees.*
- *Fees which are higher than returns on the investment, meaning that it would be better to put it all in an ordinary bank account.*
- *Fees! I've worked for that money, then some company uses it as a fund on the stock market, and still charges me to keep a hold of my own money.*
- *Fees. Also the fact that our funds can lose money and the government takes no responsibility for it. Plus the fact that they tax us when we want to use it.*

Difficult to understand

- *All the different companies. It's hard as a young adult knowing which will be best for me.*
- *Complicated statements full of legal speak & not enough plain language.*
- *Not understanding how the system works.*
- *Can't understand the difference between what the value is now compared to what you would be paid on retirement.*
- *Confusing information & fee structure*
- *Hard to understand why it goes up and down.*
- *I'm young & don't know the best strategies to be bettering my future with increasing super etc*
- *No one ever taught me about Superannuation so I don't really understand it or how to best invest my money.*

Lack of investment control

- *Being at the whim of their investments*
- *Being able to alter your investment risk or split your funds into say low risk - cash/bonds etc plus high risk - overseas shares*
- *Excessive fees and lack of flexibility with how my money is invested.*
- *How the market crashes and so does your super balance.*
- *The lack of transparency and how "old school" their investment strategies are.*

Changing rules and regulations

- *Changing rules and regulations. Especially changes to retirement age.*
- *Action by Federal Government trying to change the rules on super after we have made sound decisions based on current laws.*
- *Govt limits amount you can invest, thereby limiting how much you have when you retire, plus they keep changing the rules.*

Lack of ability to access funds

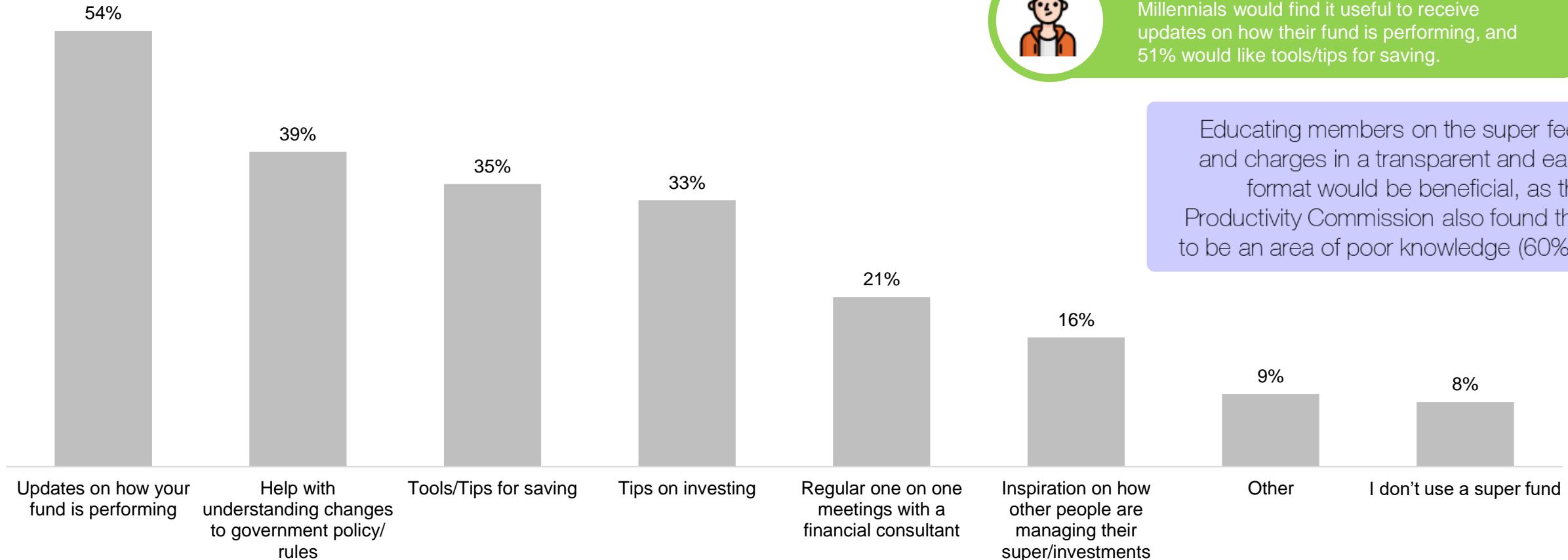
- *Access in financial hardship*
- *At the moment if I could access my super to put a deposit down on a home I would be so very happy. I feel my home would be my security.*
- *That I can't have access to "MY" money until I'm 70 years old. By then, I'll be dead and "MY" money will go to my kids.*

Lack of transparency

- *Not knowing what they are doing with my money.*
- *The amount of fees that I pay each month that cannot be explained to me.*
- *Transparency - nothing is explained in layman's terms and everything sounds like double Dutch.*

Over half of Aussies would find it useful to receive updates on how their fund is performing, and 39% would find it useful to receive help on understanding changes to government policy - this jumps to 46% with Baby Boomers.

Q. Which of the following would you find useful to receive from your super fund?



Source: SCA Research Superannuation Study Feb 18 | Q. Which of the following would you find useful to receive from your super fund? | All People 18-64 Years | N=2,511

[^]"Follow the money; retail superannuation funds face day of reckoning" The Guardian, 11/10/18 (data from Productivity Commission).

Summary & Appendix

SOUTHERN CROSS AUSTERO RESEARCH I
FEBRUARY 2018



SUMMARY

SOUTHERN CROSS AUSTEROE RESEARCH

Whilst Aussies want to enjoy the best of what they have today, there is uncertainty around how they go about achieving it financially.

THEY DON'T KNOW HOW MUCH SUPER THEY CURRENTLY HAVE, NOR HOW MUCH THEY WILL NEED TO RETIRE COMFORTABLY.

There is a real sense of panic that time is running out to build their superannuation fund (around 1 in 2 reporting this) and the same number state that they feel they will never stop working.

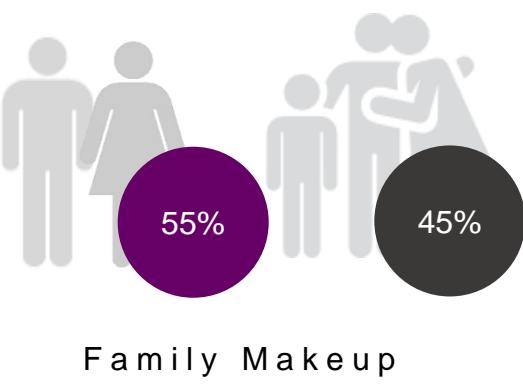
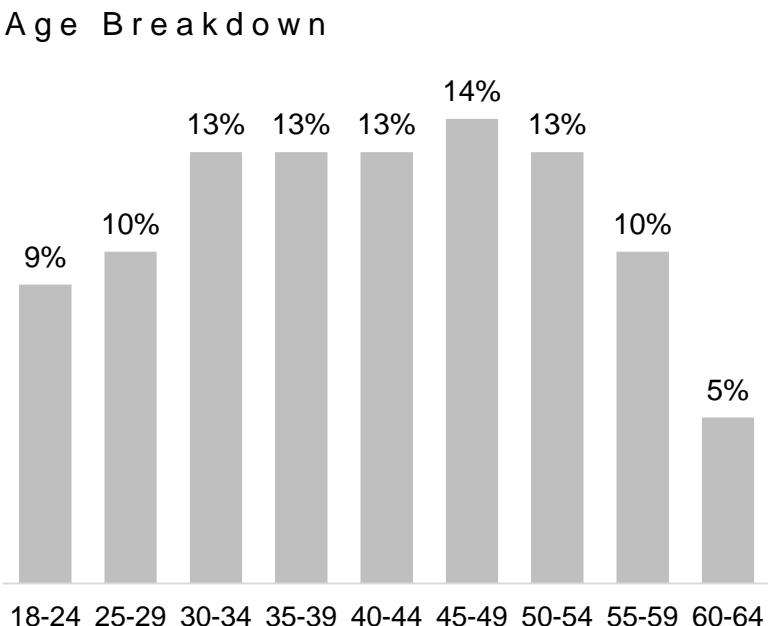
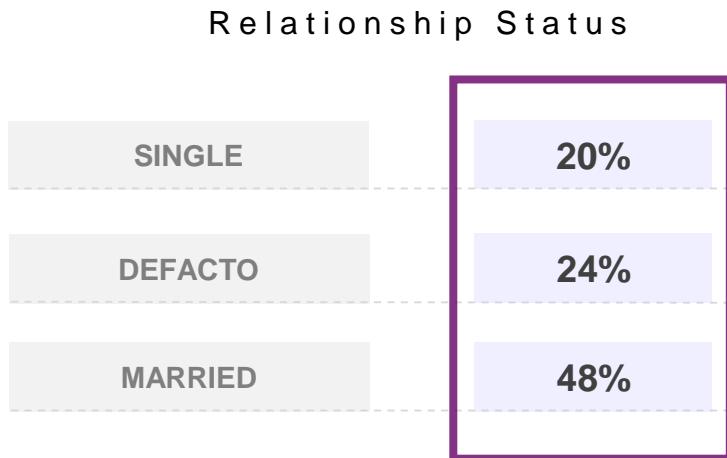
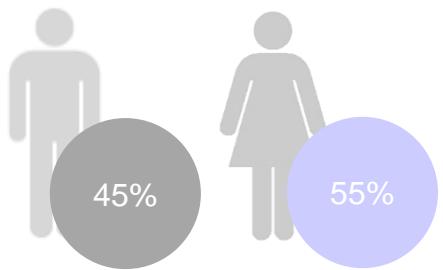
Giving members' updates on the progress of their super, and lifting the burden of certain frustrations they have with super funds (fees, education on how super works, awareness of regulation changes and using less jargon), will go some way to improve their worried mindset around funding their retirement.

Aussies want to keep travelling and spending time with their families in the future, but given their biggest concern is their family's financial security, they need financial guidance on how to make this happen.

Seeking assistance is apparent, given that only 17% of Aussies are feeling financially confident that they will be able to live and do the things, whilst 35% are interested in hearing about tools and tips for saving and 1 in 3 investing from superannuation funds.

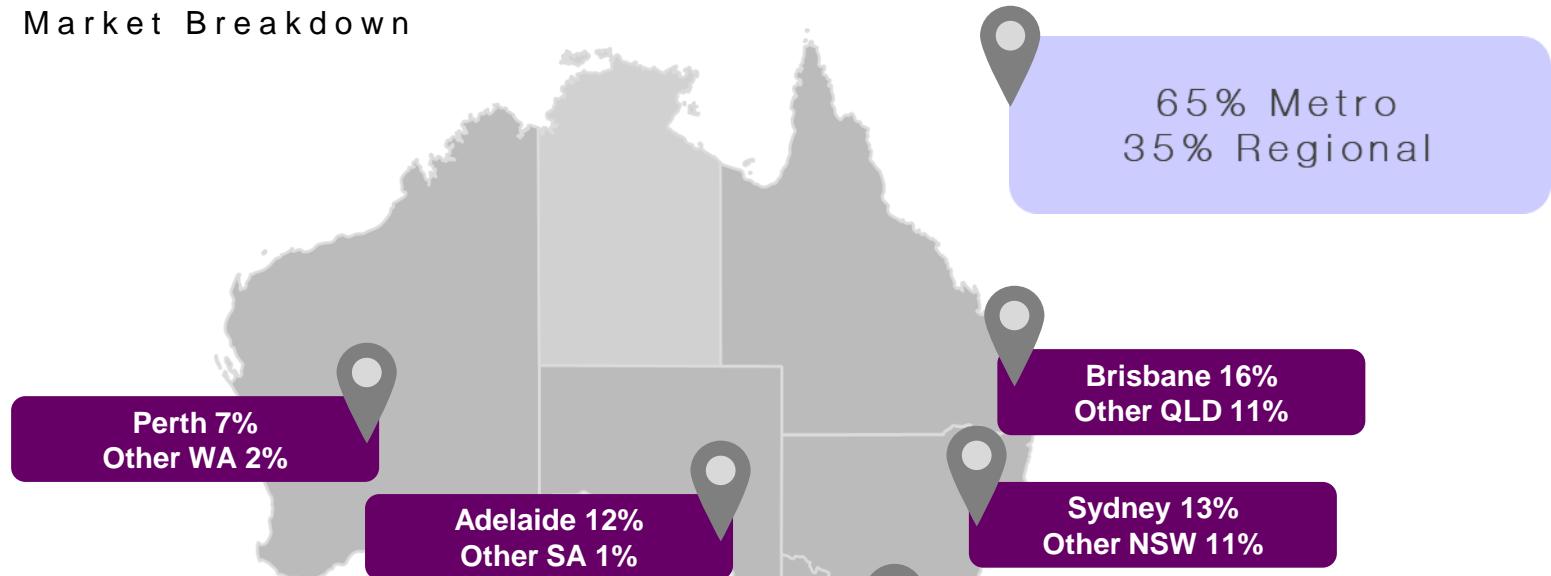
WORK WITH MEMBERS TO HELP THEM ACHIEVE THEIR RETIREMENT GOALS. GENUINELY ASSIST TO BUILD THEIR WEALTH TO DEVELOP A TRUSTED RELATIONSHIP THAT STICKS.

Respondent Breakdown

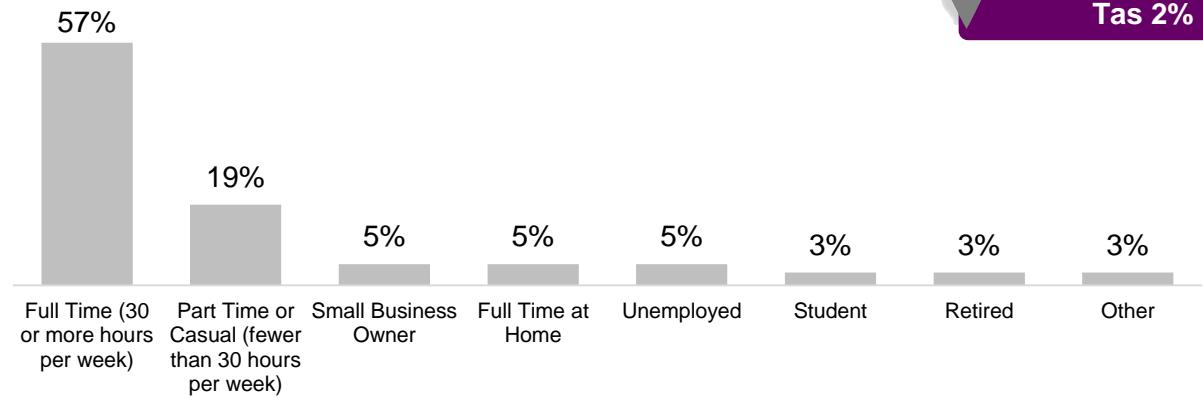


Respondent Breakdown

Market Breakdown



Employment



METHODOLOGY

SOUTHERN CROSS AUSTERO RESEARCH

The results of this survey are “INDICATIVE” ONLY.

The survey was conducted by Southern Cross Austereo using its online panel nationally. 256 respondents were also sourced from TEG Rewards.

The panel is obtained from our radio networks database under the labels of ‘Hit VIP’ on the HIT Network and ‘The Club’ on the MMM Network. All members of these databases would be considered listeners to these stations.

The database contains about **200,000** members. This is split between the Hit database and the Triple M database.

Of these members, approximately 20,000 people were invited to be part of our Insights panel community. Respondents were recruited from this database.

A third of the SCA Regional database were also recruited.

Approximately 2,570 completed the study. Various filters have been placed over the data at different times.

The weighting efficiency is 99%. This is a maximum weight of 1.1483 and a minimum weight of 0.9044

Certain questions asked for an ‘essay’ or ‘verbatim’ type of response OR brands/words that first came to mind.

A keyword search was used to sort and rank the responses to these questions.

The results are an un-weighted sample, but are reflective of the Southern Cross Austereo audience. SCA brands reach approximately 35% of the 10+ population and approximately 41% of the 25-54 population in the five metropolitan markets in Australia, suggesting it would be reasonable to consider these results to be a fair if not fully balanced representation of the opinions in these marketplaces.

Furthermore, as it is an online survey, the respondents would also be skewed towards being ‘early adopters’ for technology, ‘trend setters’ in general and likely to be a good early indication of brand leaders, trend setters and early adopters in general.

These research surveys conducted by Southern Cross Austereo are done so to provide a general understanding of the opinions, interests and attitudes of the metropolitan and larger regional marketplaces only.

Images and icons sourced from Unsplash and Flat Icon.

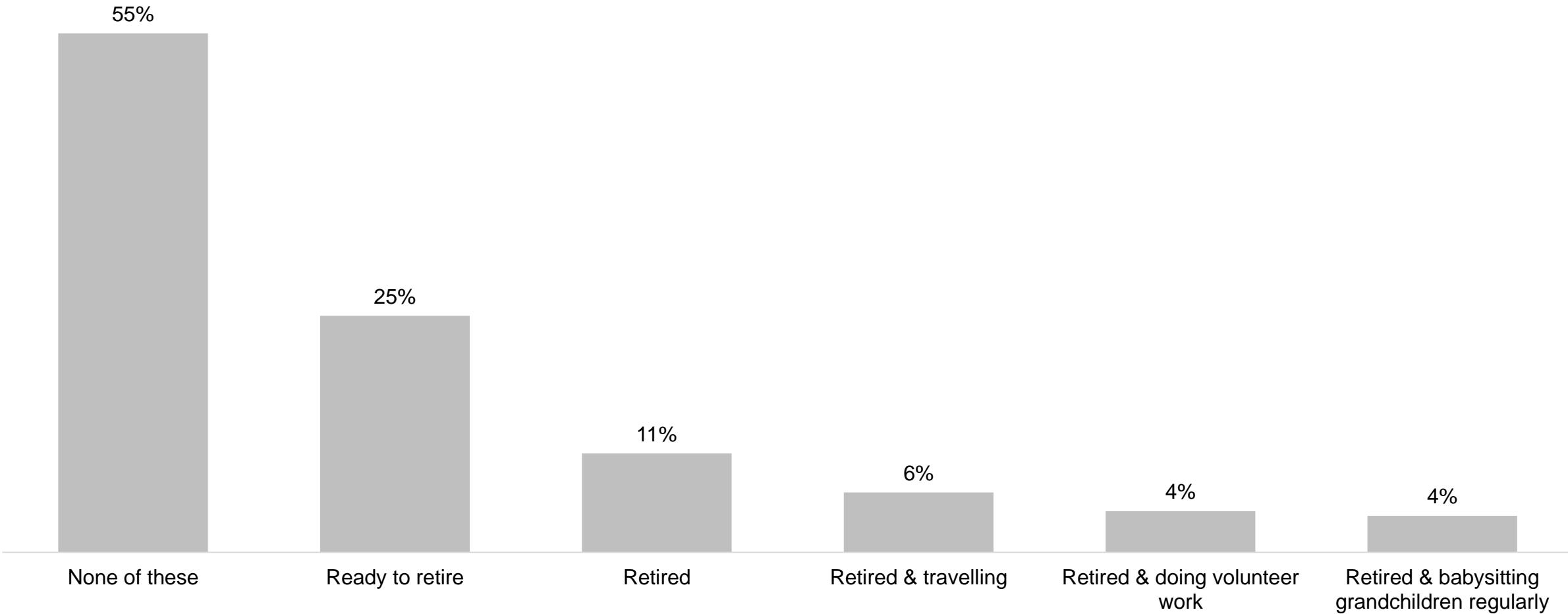
APPENDIX

SOUTHERN CROSS AUSTERO RESEARCH

RETIREMENT STATUS: RESPONDENTS 55+ YEARS

45% of respondents aged 55+ are currently retired or thinking about retiring.
Of these respondents, 1 in 4 are getting ready to retire.

Q. Which of the following describes you?

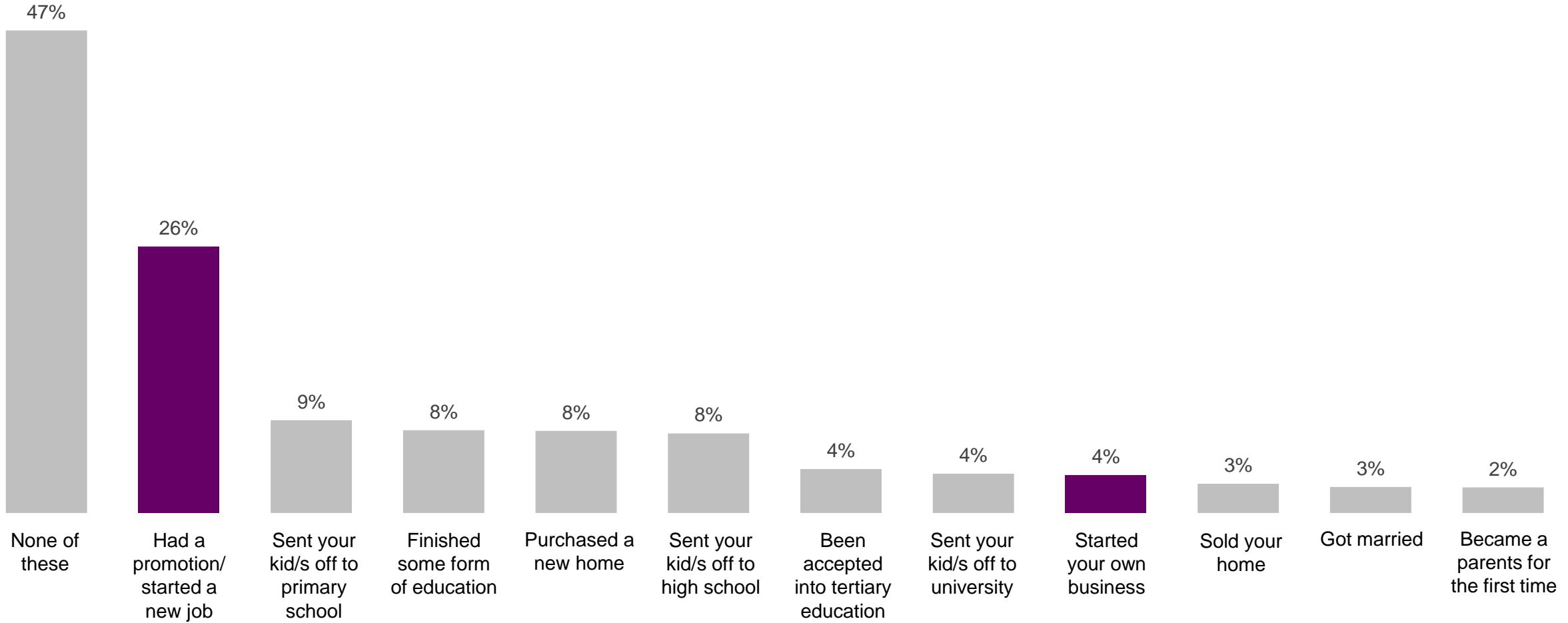


MILESTONES ACHIEVED: LAST 12 MONTHS

53% of respondents fulfilled a milestone in the past 12 months.

Over 1 in 4 got a promotion or started a new job in the last 12 months which is a key time for super fund assessment.

Q. Looking at the following life milestones, have you done any in the past 12 months?



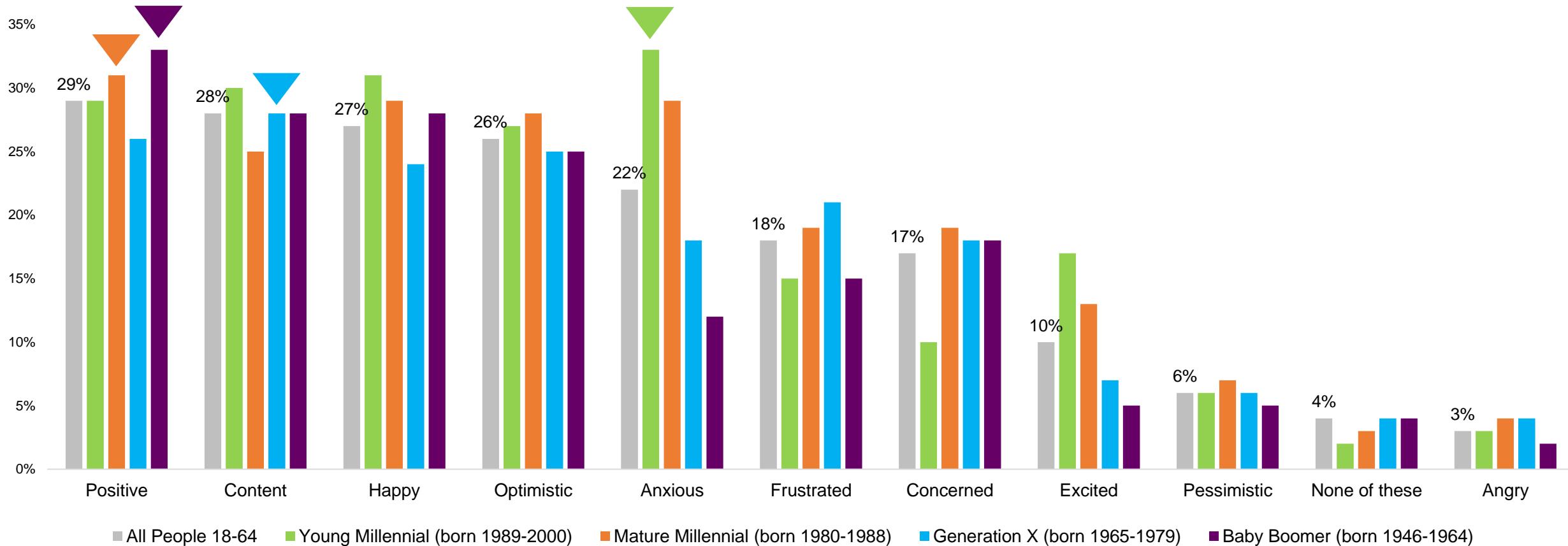
Source: SCA Research Superannuation Study Feb 18 | Q. Looking at the following life milestones, have you done any in the past 12 months? | All People 18-64 Years | N=2,511

Overall, Aussies are a positive bunch. They are content with their lives but there is some level of anxiousness creeping through with the younger generations.

In fact, 1 in 3 Young Millennials mention they are anxious, and it is their #1 mood. For Gen X, they over index with 'frustration' and under index on 'positive' and 'happy'. Baby Boomers are the most positive of the lot.

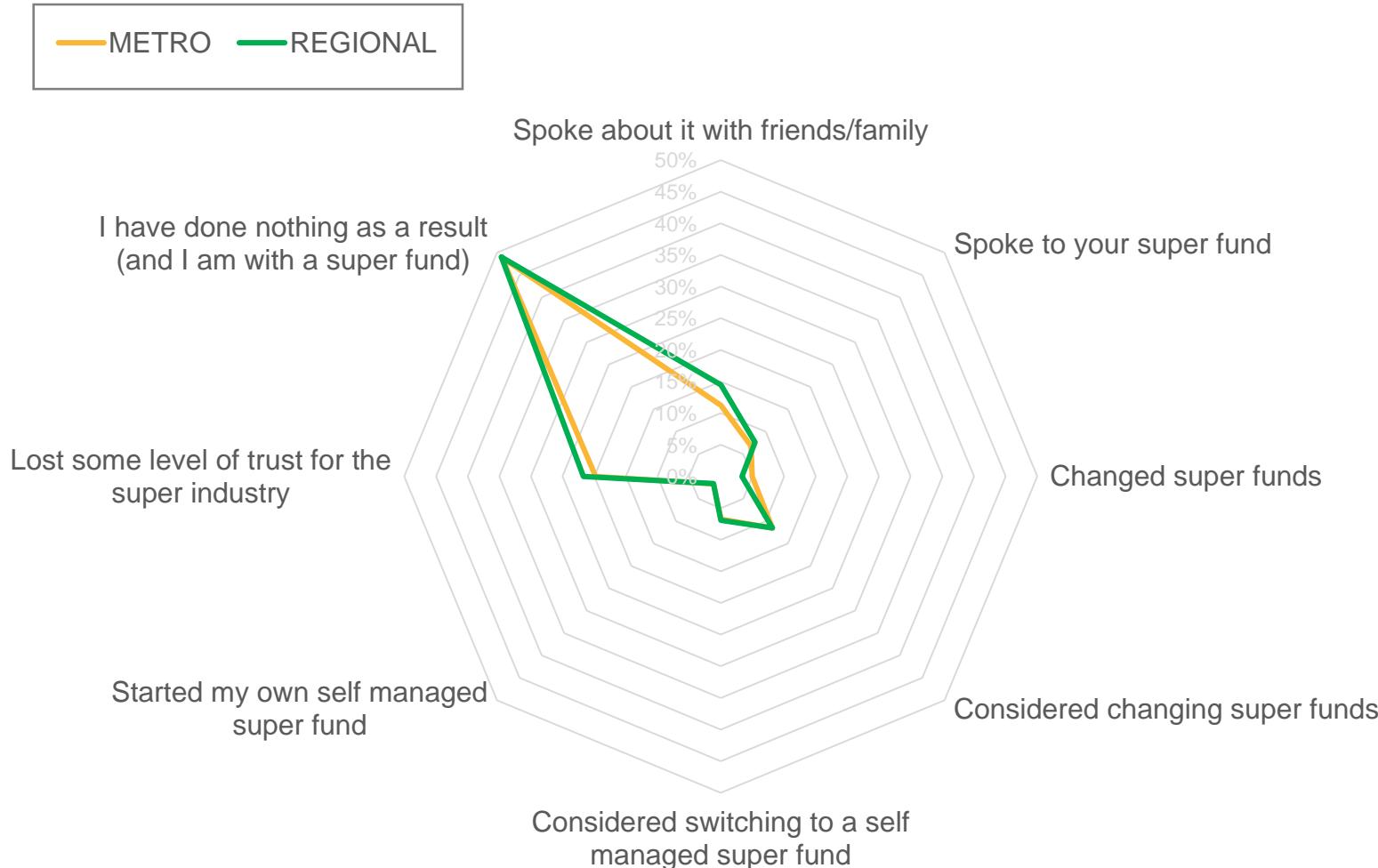
Q. Which words best describe your mood **OVERALL** at the moment?

MOOD



Listeners in both country and city districts mirror one another in terms of the action they have taken with their superannuation as a result of hearing the Royal Commission's observations. Half of people have done something, with losing trust for the industry the strongest of all actions at around 20%. Changing super funds is a thought had for 12% of metro and regional respondents.

Q: Now thinking about your SUPERANNUATION, have you done any of the following as a result of this Royal Commission? BASE: Aware of Commission.



Other was mentioned by 5% of Metro and 9% of Regional audiences:

"I've started paying more attention & reviewing my super"

"Confirmed with my super provider the fees and charges"

"Checked my fund against others"

"Checked in with my financial planner"

"Withdraw all of it and bury in the woods"

"Attempted to move my account/funds but was told I couldn't (by the super fund)"

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FOR MORE INFORMATION

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