STATISTICS

Quarterly superannuation performance statistics highlights

March 2022 (released 24 May 2022)

Highlights

Industry overview

For the year ending March 2022, total superannuation assets increased 9.7 per cent to $3.4 trillion (Chart 1). This incorporates a 0.9 per cent decline in assets over the March 2022 quarter.

Total assets in MySuper products were $927.9 billion at the end of the March 2022 quarter, a quarterly decrease of 2.3 per cent and an annual increase of 10.4 per cent (Chart 2).

Chart 1: Assets of superannuation entities

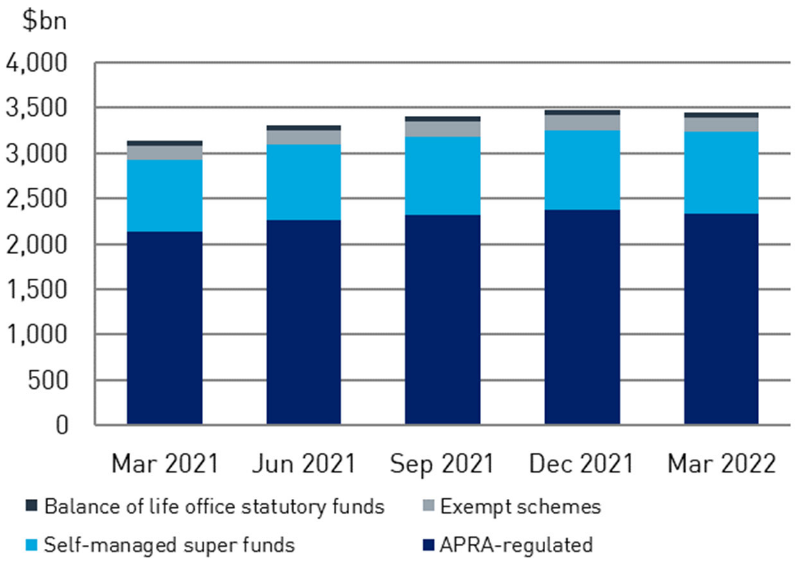
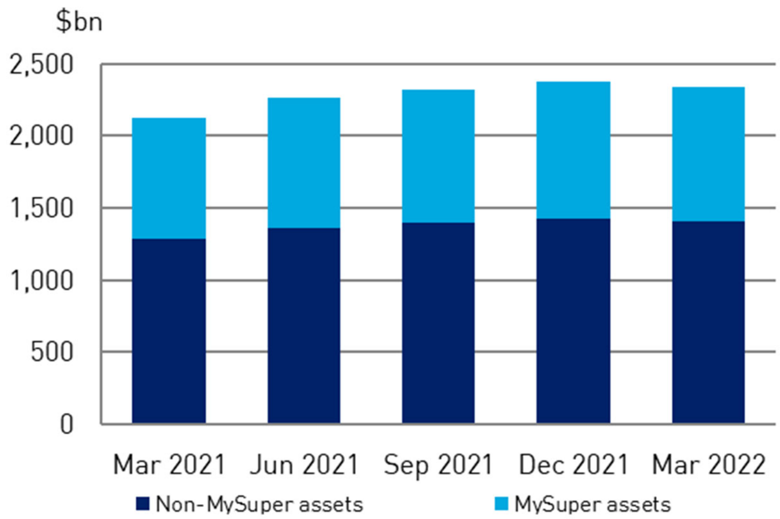


Chart 2: MySuper products

APRA-regulated entities with more than four members



Excludes Eligible Rollover Funds and Approved Deposit Funds

Entities with more than four members

The comments below are based on superannuation entities with more than four members.

Contributions, benefit transfers and benefit payments

Contributions totalled $31.7 billion for quarter and $141.6 billion for the year ending March 2022, a 16.9 per cent increase compared to March 2021. The growth in contributions is largely reflective of strong economic growth over the past year. The government's large fiscal stimulus in response to the onset of the COVID-19 pandemic boosted household savings along with a stronger engagement with financial advice.

Employer contributions totalled $25.5 billion for the quarter and $104.2 billion for year ending March 2022. This is a 6.6 per cent increase over the year compared to March 2021. The growth reflects the return of business confidence post-lockdowns and increased consumer spending, with the unemployment rate having dropped to 4 per cent by February 2022.

Member contributions totalled $6.3 billion for the quarter and $37.4 billion for the year ending March 2022. The is a 60 per cent increase over the year compared to March 2021. Driving this growth is the level of personal member contributions, which supported by higher household savings, were at much higher levels for the first three quarters of the year, compared to previous years. Member contributions are beginning to revert back to long term trends towards this quarter, however remains higher on average at $5.8 billion, an increase of 19.6 per cent from the March 2021 quarter.

Benefit payments totalled $19.9 billion for the quarter and $83.9 billion for the year ending March 2022. This was a decline of 7.2 per cent and 23.8 per cent respectively, in line with expectations as lump sum benefit payments have reverted to longer term trends following the removal of the effects from the Early Release Scheme (ERS) (Chart 3).

Quarterly net contribution flows (contributions plus net benefit transfers, less benefit payments) to the industry totalled $10.5 billion over the March 2022 quarter, an 18.0 per cent decline from the previous quarter (Chart 4). Net contribution flows for the year ending March 2022 were $58.9 billion compared with $9.8 billion for the year ending March 2021, similarly reflecting the normalisation of COVID-19 effects on contributions and benefit payments (Chart 4).

Chart 3: Benefit payment

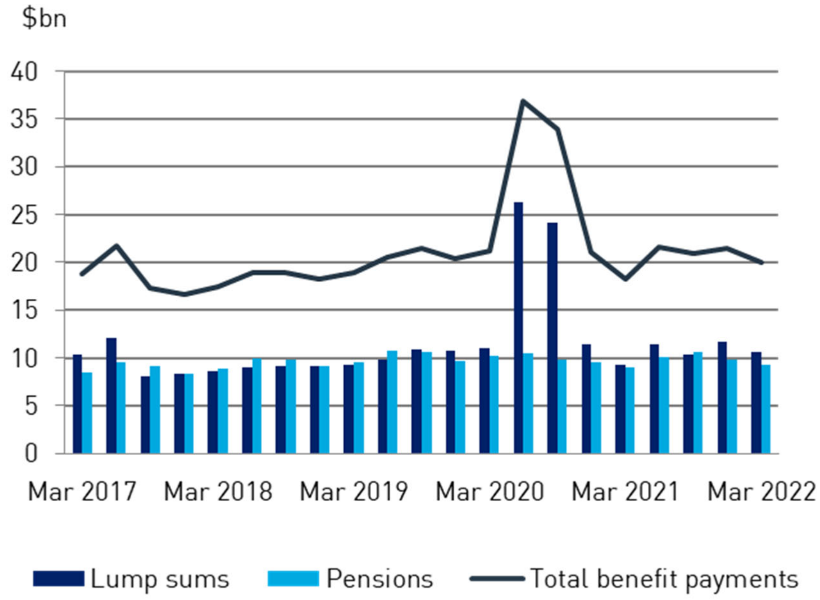
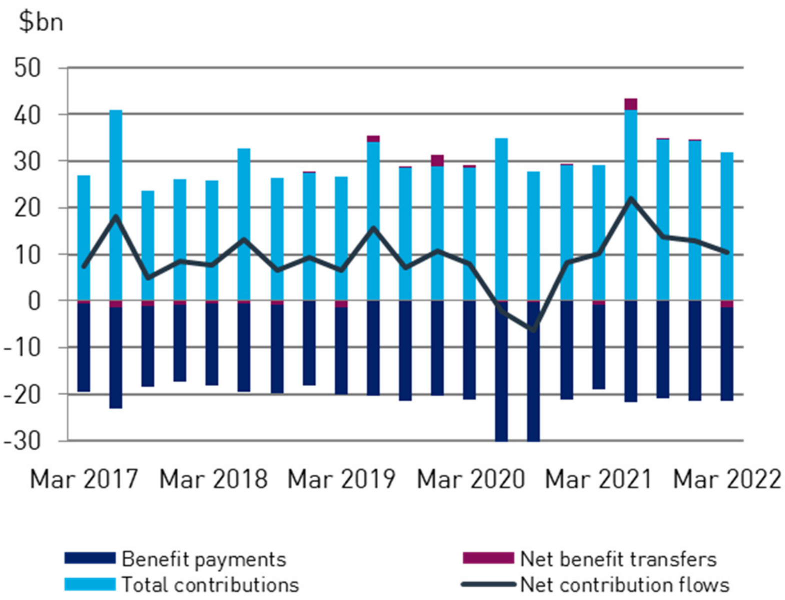


Chart 4: Net contribution flows



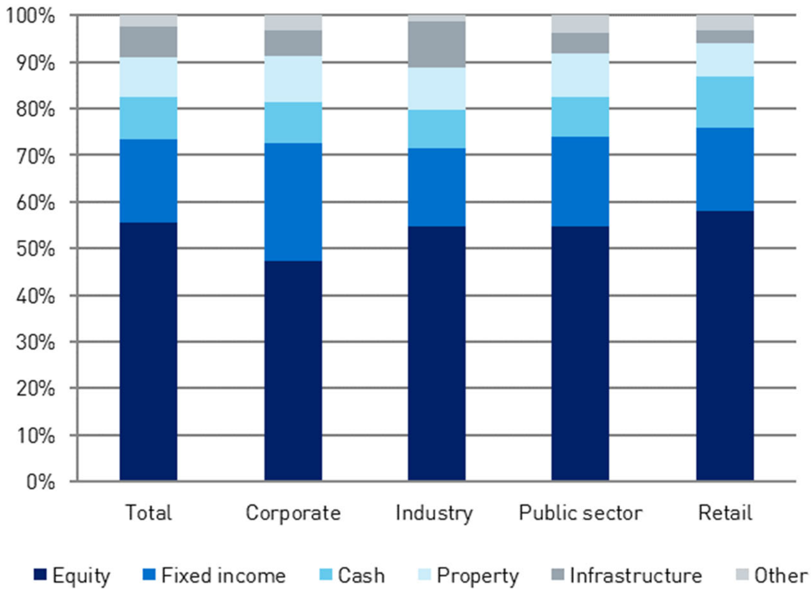
Financial performance, financial position and asset allocation

The rate of return (ROR) was -2.4 per cent over the quarter to March 2022. This is the first negative return since March 2020. The March 2022 quarter was a volatile quarter for global financial markets. Rising inflation concerns prompted expectations for higher interest rates, which weighed on markets. The Ukraine Crisis and the subsequent sanctions against Russia placed upward pressure on energy and commodity prices, driving up costs in the supply of goods and services. The supply-side pressures are exacerbated by supply chain bottlenecks as China pursues a zero-COVID policy amid the emergence of the Omicron strain. The five year average annualised ROR was 6.8 per cent, down from 7.9 per cent in December 2021 (Chart 5).

Over the March 2022 quarter, total assets declined by 1.7 per cent (or $42.8 billion), dropping to just under $2.5 trillion. With over $2.2 trillion in investments, 56 per cent were investment in equities (24 per cent in Australian listed equities; 27 per cent in international listed equities; and 5 per cent in unlisted equities). Fixed income and cash investments accounted for 27 per cent of investments (18 per cent in fixed income and 9 per cent in cash). Property and infrastructure accounted for 15 per cent of investments whilst other assets, including hedge funds and commodities, accounted for 2 per cent (Chart 6).

Chart 5: Five year average annualised rate of return

Chart 6: Asset allocation – March 2022



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