



STATISTICS

Quarterly superannuation performance statistics highlights

December 2022 (released 28 February 2023)

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Highlights

Industry overview

Total superannuation assets were \$3.4 trillion at the end of the December 2022 quarter, a quarterly increase of 2.5 per cent. This quarterly increase was due to a positive change in the performance of investment markets over the quarter, with previous poor performance contributing to superannuation assets decreasing 3.0 per cent over the 12 months to 31 December 2022 (Chart 1).

Total assets in MySuper products were \$917.3 billion at the end of the December 2022 quarter, a quarterly increase of 3.4 per cent and an annual decrease of 3.1 per cent respectively (Chart 2). For the year ending December 2022, the number of entities offering a MySuper product has reduced from 61 to 52 reflecting recent consolidation activities in the industry.

Chart 1: Assets of superannuation entities

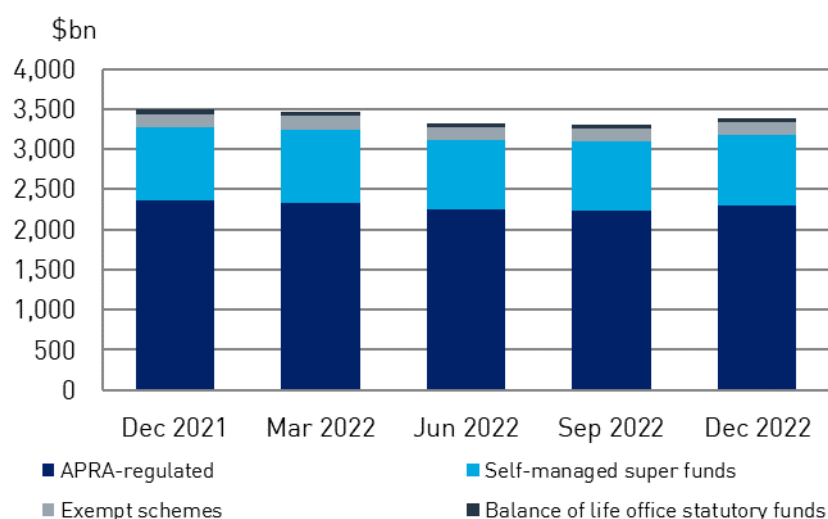
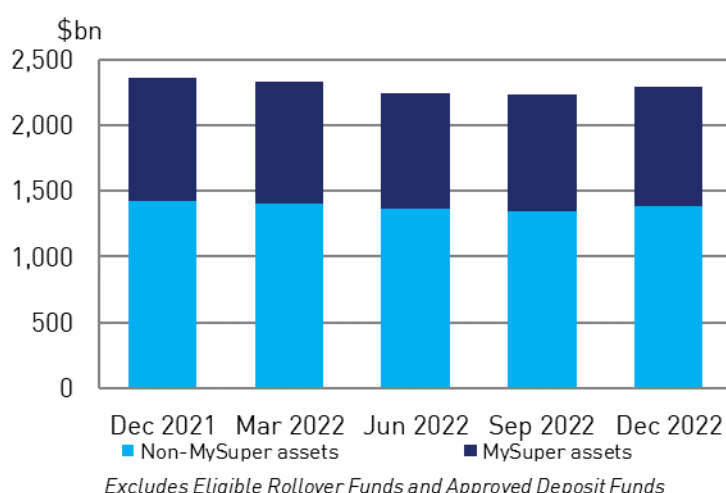


Chart 2: Assets of APRA-regulated entities with more than six members



Entities with more than six members

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

Contributions, benefit transfers and benefit payments

Contributions totalled \$38.5 billion for the quarter and \$154.4 billion for the year ending December 2022, a 11.1 per cent increase over the year compared to December 2021.

Employer contributions totalled \$30.3 billion for the quarter and \$114.9 billion for the year ending December 2022, an 11.8 per cent increase over the year compared to December 2021. This is likely due to the Superannuation Guarantee (SG) increase to 10.5 per cent per annum from 1 July 2022 and strong labour force figures over the year. For the year ending December 2022, SG contributions (\$88.5 billion) accounted for around three quarters of employer contributions and this proportion is expected to increase alongside the SG increases.

Member contributions totalled \$8.2 billion for the quarter and \$39.5 billion for the year ending December 2022, a 8.6 per cent increase over the year compared to December 2021. While there were large spikes observed in 2021 following COVID-19 and its related initiatives, member contributions have continued to increase and remain above historical trends.

Benefit payments totalled \$24.9 billion for the quarter and \$91.6 billion for the year ending December 2022, a 11.3 per cent increase over the year compared to December 2021. Total benefit payments for the quarter comprised lump sum benefit payments of \$14.3 billion or 57.5 per cent and pension payments of \$10.6 billion or 42.5 per cent (Chart 3). These are in-line with longer term trends of a maturing superannuation system and ageing population.

Net contribution flows (contributions plus net benefit transfers, less benefit payments) totalled \$13.1 billion for the quarter (Chart 4). Net contribution flows for the year ending December 2022 were \$64.1 billion compared with \$58.7 billion for the year ending December 2021. This is largely driven by strong growth in both employer and member contributions. There was a \$3.3 billion net outflow to Self Managed Super Funds (SMSFs) for the year ending December 2022 which is broadly in-line with recent trends.

Chart 3: Benefit payment

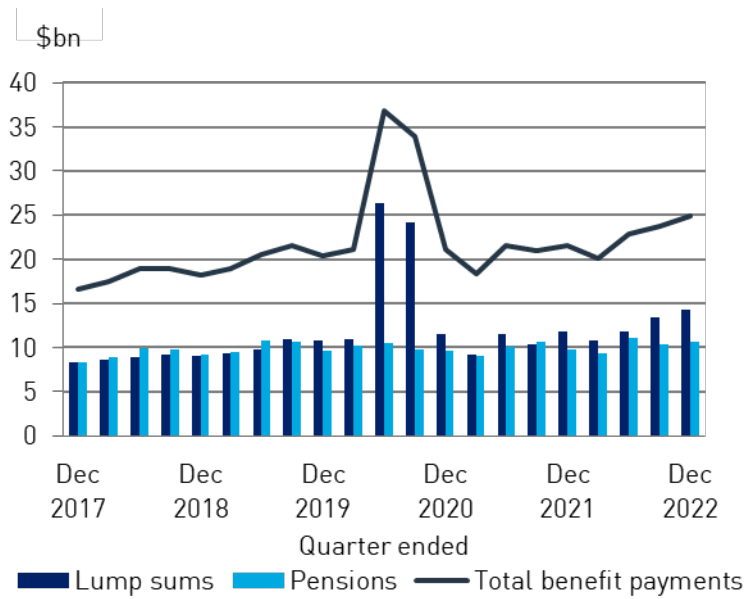
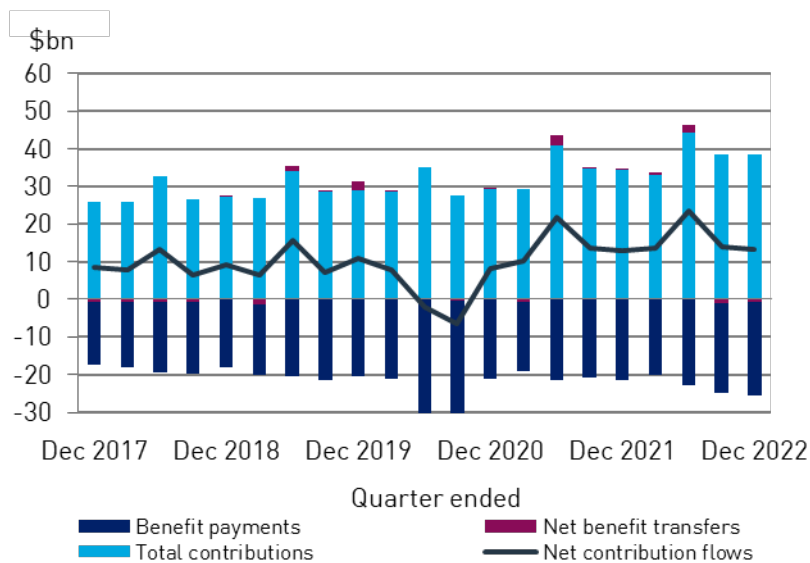


Chart 4: Net contribution flows



Financial performance, financial position and asset allocation

The rate of return (ROR) for entities with more than six member for the December 2022 quarter was 3.7 per cent and for the year was -5.5 per cent, a significant decrease compared with the annual ROR for December 2021 (12.9 per cent) (Chart 5). Investment markets have been volatile over the year owing to aggressive monetary tightening by global central banks to curb inflation which slowed economic growth. The five year average annualised ROR was 4.7 per cent, down from 7.9 per cent in December 2021.

Over the December 2022 quarter, total assets for entities with more than six members increased by 2.6 per cent (or \$62.5 billion) to \$2.5 trillion. With \$2.2 trillion in investments, 53.1 per cent were investments in equities (22.5 per cent in Australian listed equities; 25.5 per cent in international listed equities; and 5.1 per cent in unlisted equities). Fixed income and cash investments accounted for 28.3 per cent of total investments (18.8 per cent in fixed income and 9.5 per cent in cash). Property and infrastructure accounted for 16.2 per cent of total investments whilst other assets, including hedge funds and commodities, accounted for 2.4 per cent (Chart 6).

Chart 5: Quarterly rate of return

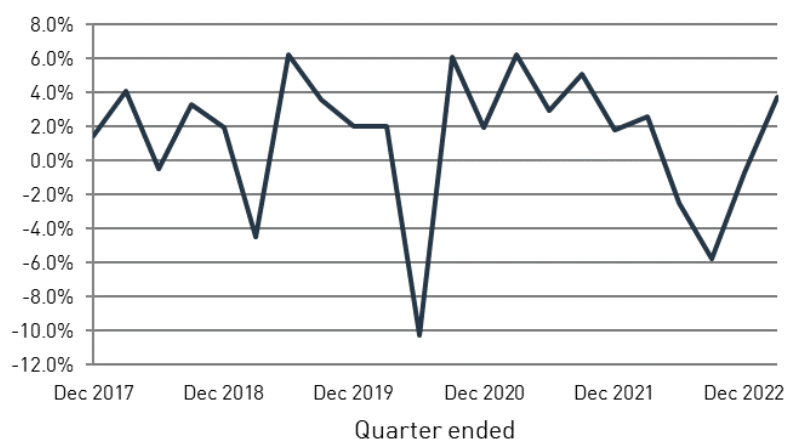
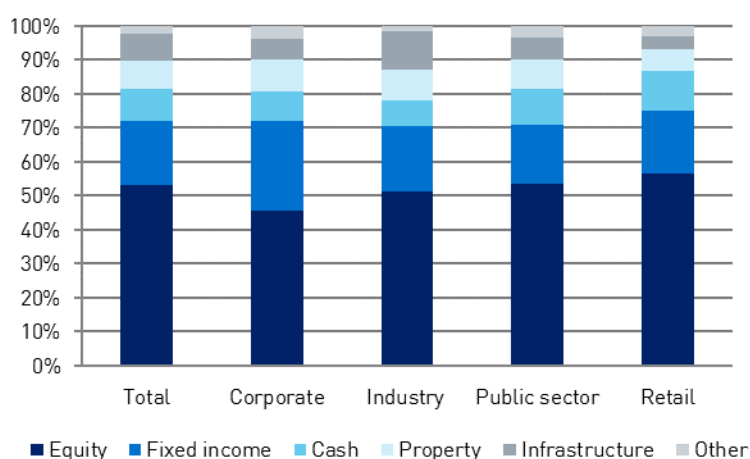


Chart 6: Asset allocation – December 2022





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