



STATISTICS

Quarterly superannuation performance statistics highlights

March 2023 (released 23 May 2023)

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Highlights

Industry overview

Superannuation assets grew strongly in the March quarter of 2023 as a result of both the ongoing recovery in investment markets and continued strong contribution flows. Total superannuation assets increased by 3.2 percent over the quarter to \$3.5 trillion at the end of March 2023 (Chart 1). Total superannuation assets have returned to levels last recorded at the end of December 2021 (\$3.5 trillion) and have recovered from their decline over the June and September quarters of 2022. Total MySuper assets increased by 5.1 per cent over the March quarter 2023 to \$964.5 billion (Chart 2) and have surpassed the previous high at the end of December 2021 (\$946.8 billion).

Chart 1: Assets of superannuation entities

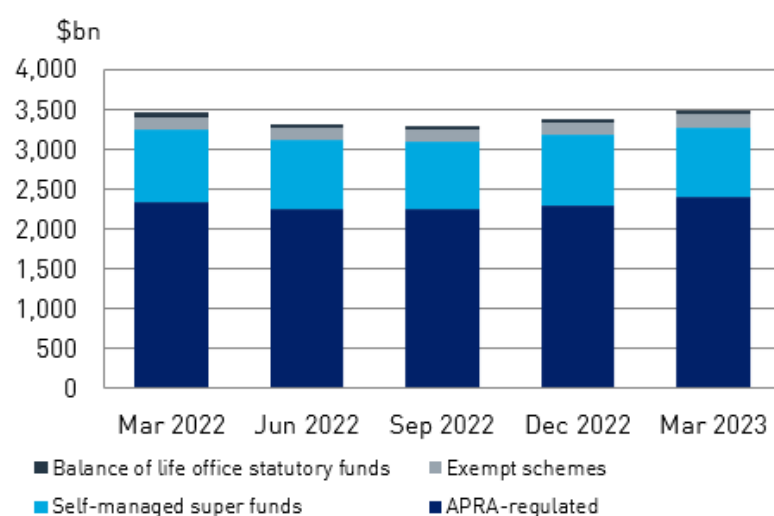
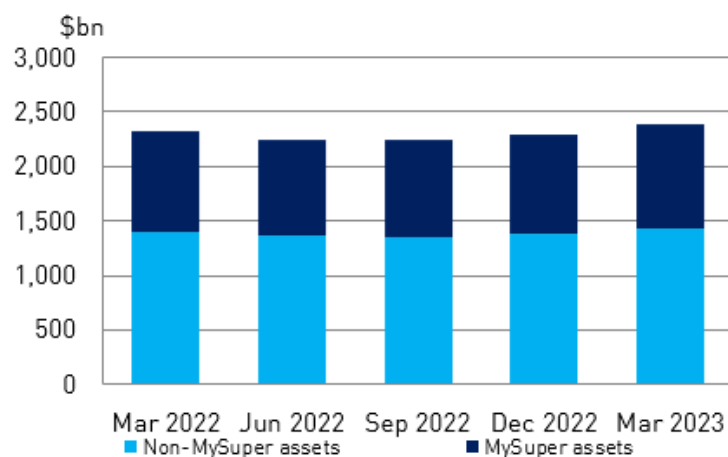


Chart 2: Assets of APRA-regulated entities with more than six members



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 \$37.5 billion for the quarter and increased by 11.3 per cent in the year to March 2023 to \$159.0 billion.

Employer contributions totalled \$30.2 billion for the quarter and \$118.6 billion for the year ending in March 2023, which represented a 12.6 per cent increase compared to the year ending in March 2022. This is in part due to the Superannuation Guarantee (SG) rate increase to 10.5 per cent from 1 July 2022 and strong labour force outcomes over the year. For the four quarters to March 2023, SG contributions (\$91.8 billion) accounted for around three quarters of employer contributions and this proportion is expected to increase alongside future SG increases.

Member contributions totalled \$7.3 billion for the quarter and \$40.4 billion for the year ending in March 2023, which was 7.5 per cent higher compared to the year ending in March 2022. While there were large spikes observed in the four quarters to March 2022 following COVID-19 and its related initiatives, member contributions have continued to increase and remain above historical trends.

Benefit payments totalled \$24.3 billion for the quarter and grew by 13.8 per cent to \$95.8 billion for the year ending in March 2023. Total benefit payments for the quarter comprised of lump sum benefit payments of \$14.0 billion and pension payments of \$10.3 billion (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 \$11.7 billion for the quarter (Chart 4). Net contribution flows for the four quarters to March 2023 were \$62.2 billion, which is largely driven by strong growth in both employer and member contributions being offset by even stronger growth in benefit payments.

Chart 3: Benefit payment

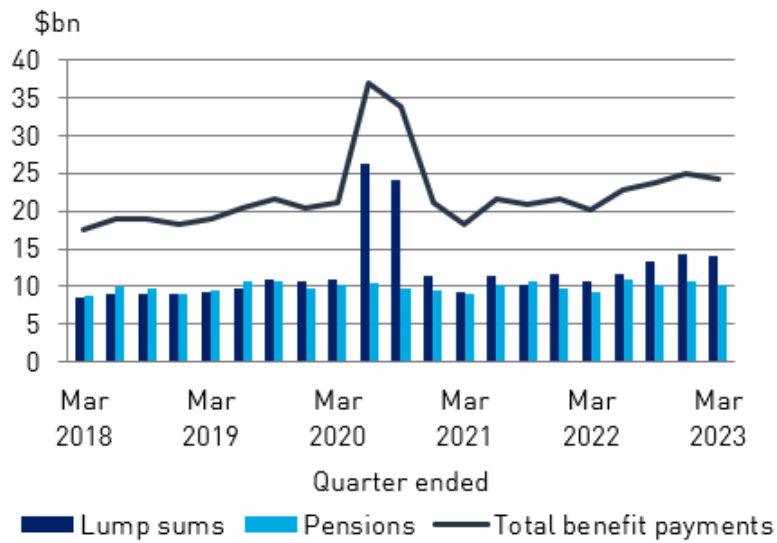
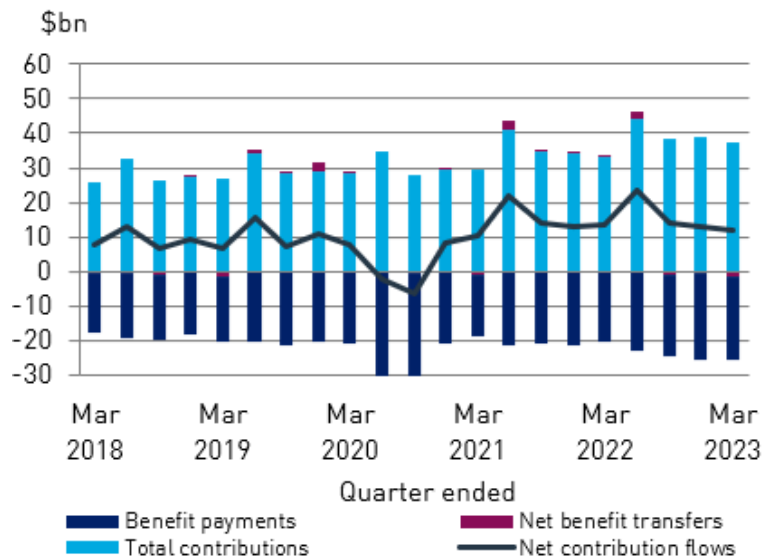


Chart 4: Net contribution flows



Financial performance, financial position and asset allocation

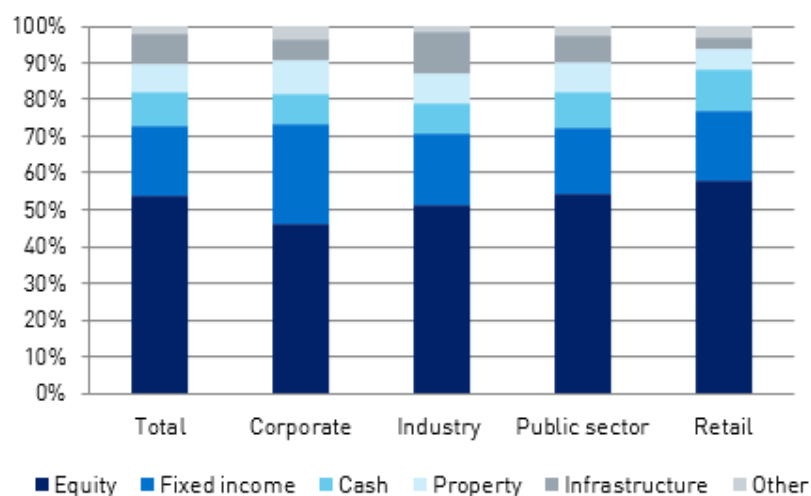
The rate of return (ROR) for entities with more than six members for the March 2023 quarter was 3.5 per cent and was 0.4 per cent for the four quarters to March 2023, (Chart 5). Investment markets have been volatile over the four quarters to March 2023 owing to aggressive monetary tightening by central banks globally to curb inflation which slowed economic growth. The five year average annualised ROR was 5.6 per cent. It was 6.8 per cent in March 2022.

Over the March 2023 quarter, total assets for entities with more than six members increased by 4.0 per cent (or \$97.2 billion) to \$2.5 trillion. With \$2.3 trillion in investments, 53.9 per cent were investments in equities (22.3 per cent in Australian listed equities; 26.7 per cent in international listed equities; and 4.9 per cent in unlisted equities). Fixed income and cash investments accounted for 19.0 per cent and 9.3 per cent of total investments. Property and infrastructure accounted for 15.5 per cent of total investments whilst other assets, including hedge funds and commodities, accounted for 2.2 per cent (Chart 6).

Chart 5: Quarterly rate of return



Chart 6: Asset allocation – 31 March 2023





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