



STATISTICS

Quarterly superannuation performance statistics highlights

September 2023 (released 21 November 2023)

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Highlights

Industry overview

Total superannuation assets declined by 0.1 per cent over the quarter but remained above \$3.5 trillion at the end of September 2023 (Chart 1). Of this, nearly \$2.5 trillion in assets are in APRA-regulated funds. Higher benefit payments and negative investment returns in the quarter more than offset contribution inflows. Total MySuper assets increased over the September 2023 quarter to \$1.0 trillion (Chart 2).

Chart 1: Assets of superannuation entities

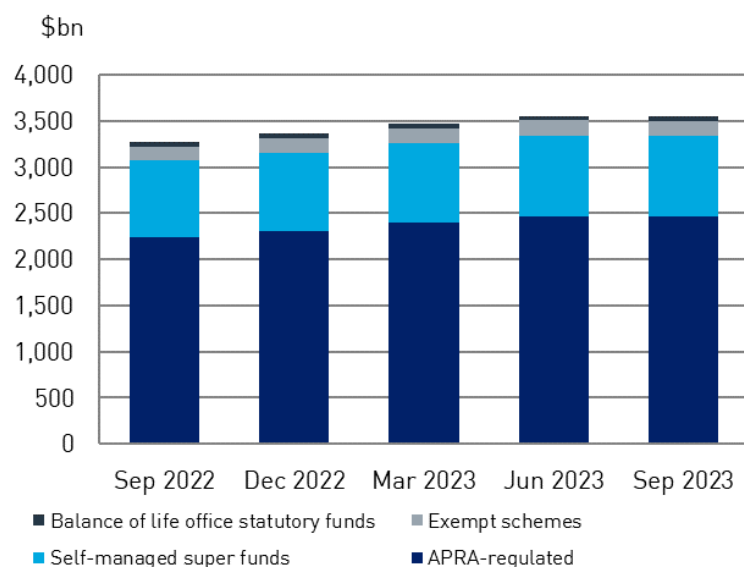
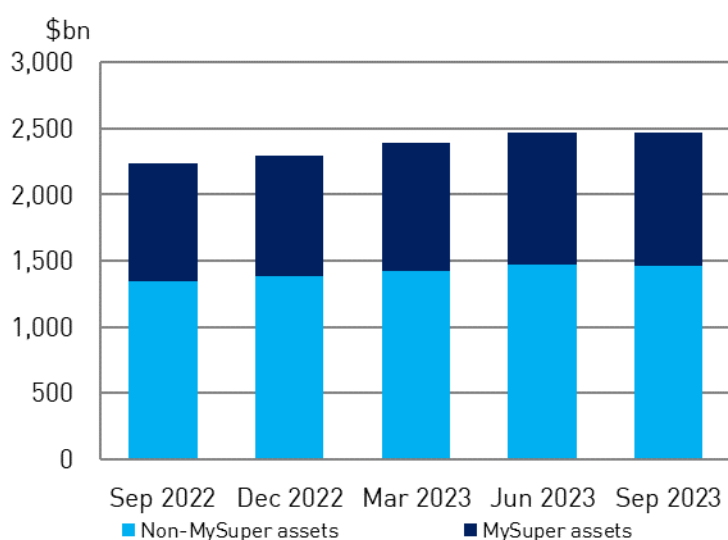


Chart 2: Assets of APRA-regulated entities with more than six members



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 reached \$42.3 billion for the September 2023 quarter; in the year to September 2023, contributions rose by 12.5 per cent to \$169.0 billion.

Employer contributions were \$30.9 billion for the quarter and \$126.3 billion for the year ending in September 2023, which was 13.7 per cent higher compared to the year ending in September 2022. This growth was due to the increase in Superannuation Guarantee (SG) rate to 11.0 per cent from 1 July 2023, and strong labour market outcomes. Employment grew by 3.0 per cent over the past year and wages are estimated to have grown by 4 per cent according to the Wage Price Index.

Members contributed \$11.3 billion in the quarter and \$42.7 billion in the year ending in September 2023, which was 9.0 per cent higher compared to the year ending in September 2022. The flow of member contributions in the September 2023 quarter was similar to the flow in the September 2022 quarter. Given the growth in employment and wages, this could suggest that cost of living pressures are leading members to scale back personal contribution to superannuation.

Benefit payments totalled \$29.2 billion for the quarter and \$107.5 billion for the year ending in September 2023. Benefit payments have increased 21.8 per cent over the year ending in September 2023 and was driven by a 30 per cent increase in lump sum payments. Total benefit payments for the quarter comprised of lump sum benefit payments of \$16.7 billion and pension payments of \$12.5 billion (Chart 3).

Net contribution flows (contributions plus net benefit transfers, less benefit payments) were \$10.7 billion in the quarter (Chart 4). Net contribution flows for the 12 months to September 2023 declined by 9.3 per cent to \$57.9 billion. This decline in net contribution flows is attributable to a decline in net benefit transfers for the year ending in September 2023 (\$5.6 billion lower than the year ending in September 2022).

Chart 3: Benefit payments

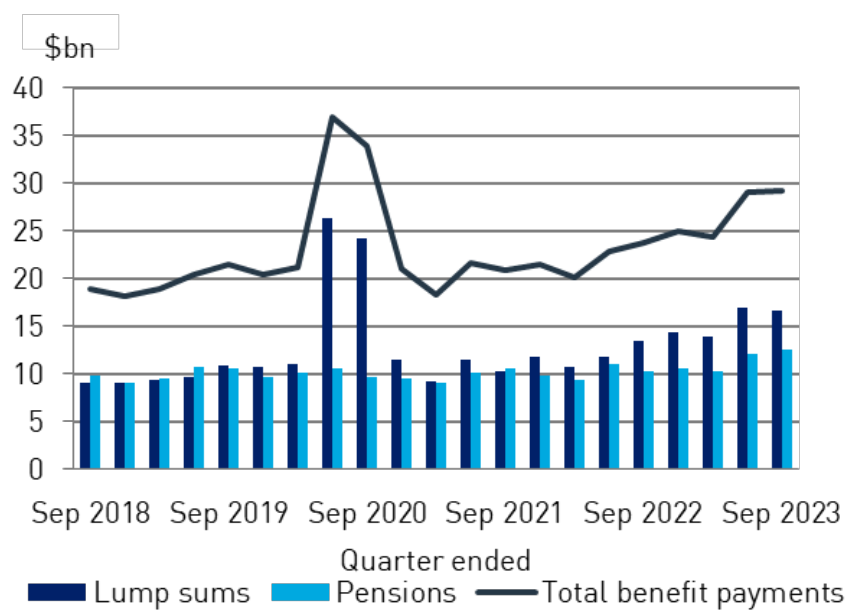
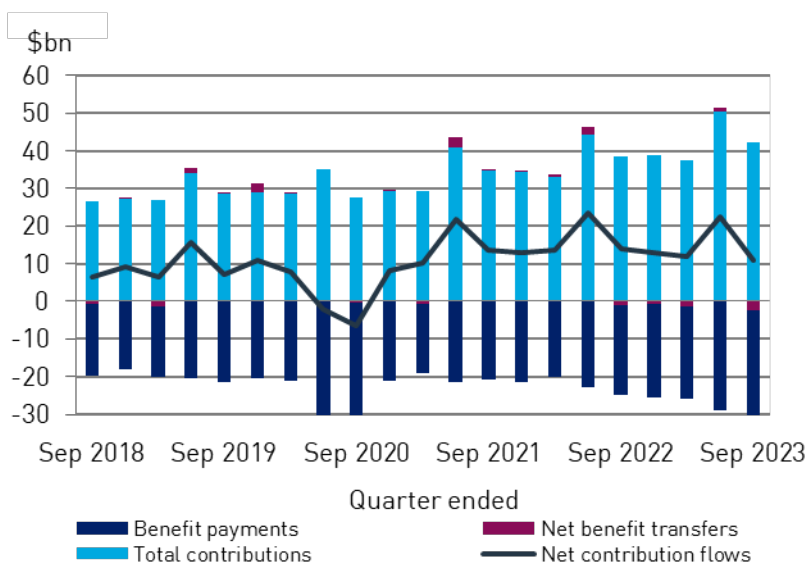


Chart 4: Net contribution flows



Financial performance, financial position and asset allocation

The rate of return (ROR) for entities with more than six members for the September 2023 quarter declined from 1.9 per cent in the June 2023 quarter to -0.5 per cent (Chart 5). This was due to negative returns in equities across many major economies, including Australia. The ROR for the year ending in September 2023 was 8.8 per cent. The five year average annualised ROR was 4.8 per cent.

Over the September 2023 quarter, total assets for entities with more than six members declined marginally by 0.2 per cent (or \$4.3 billion) to \$2.6 trillion. Of the \$2.3 trillion in investments, 53.3 per cent were invested in equities (21.9 per cent in Australian listed equities; 26.4 per cent in international listed equities; and 5.1 per cent in unlisted equities). Fixed income and cash investments accounted for 20.3 per cent and 8.5 per cent of total investments respectively. Property and infrastructure accounted for 15.6 per cent of total investments while other assets, including hedge funds and commodities, accounted for 2.2 per cent (Chart 6).

Chart 5: Quarterly rate of return

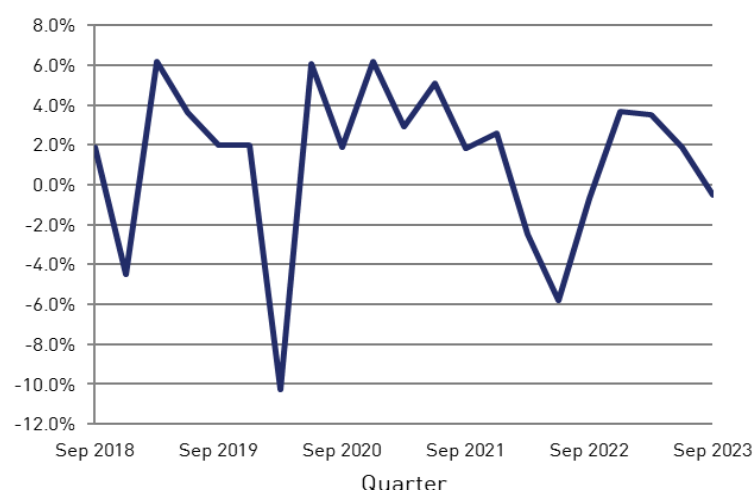
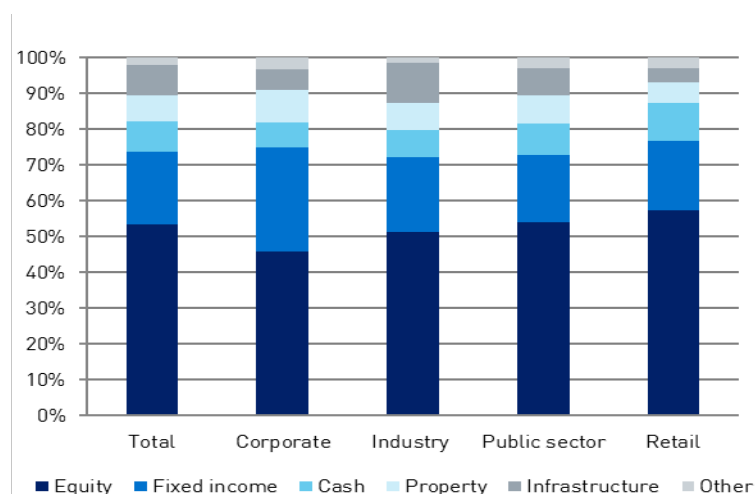


Chart 6: Asset allocation – 30 September 2023





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