

# Most of us have lost confidence in super

**Sara Rich**  
Superannuation

THE majority of Australians have lost all confidence in the superannuation system, with most fearing they will not have enough money in retirement, while others believe fund managers have made poor investment decisions.

A national survey conducted by UMR Research at the end of March found only 20 per cent of Australians believe their superannuation would provide an adequate income for their retirement, with 63 per cent disagreeing and the rest unsure.

Women and people nearing retirement age were found to be the most pessimistic, with 68 per cent of females and 76 per cent of 50 to 69-year-olds lacking confidence.

The latest Westpac ASFA Retirement Standard — released last week — determined that for a comfortable lifestyle in retirement, a person needed about \$38,000 (in today's dollars) a year.

Association of Superannuation Funds of Australia chief executive Pauline Vamos said that to achieve that amount, people needed to contribute 12 per cent of their income to super each year over 30 years.

“So what we are saying to people is, you really need to put more in now, you need to think about salary sacrificing and you need to take advantage of the Government's co-contribution re-

gime,” she said. “What people need to understand is if they want a comfortable retirement, they need to fund as much as they can for their own retirement — superannuation is still the best investment vehicle that you can get.”

However, the survey, conducted online with 1000 respondents, found that 43 per cent of Australians thought super fund managers had made poor investment decisions, with only 11 per cent of respondents disagreeing and the rest unsure.

Ms Vamos pointed out that the benchmark S&P/ASX 200 index plunged 41.3 per cent last year, while the average return of balanced super funds was about -20 per cent.

“So the funds have fared a lot better than the market, and they will continue to do so because they invest for the long term and they invest in a broad cross-section of assets,” she said.

“What people need to understand is that while the value of their assets has gone down, the assets are still there.”

The survey also found that 66 per cent of Australians thought super fund fees were too high.

On average, fees have stayed the same in recent years, ranging from 0.5 per cent for low-fee funds to 1.98 per cent for funds that offer more services and investment options.