



# The Bond Report

## Superannuation Industry Trends



### Key Points

- Data released by APRA today show that superannuation contributions recorded the strongest September quarter since 2007, growing by 12.3 per cent on September 2010 and by 11 per cent on June 2011 (in seasonally adjusted terms – see page 2).
- Contributions to APRA regulated superannuation funds were \$20.5 billion in the September quarter, down \$3.2 billion on the June quarter, but up \$3.3 billion for the same quarter 2010. The quarterly decline reflects the usual seasonal pattern.
- In seasonally adjusted terms, total superannuation contributions were \$21.9 billion, an increase of 11 per cent on the June quarter 2011.
- Employer (compulsory) contributions were \$1.7 billion (11.7 per cent) higher than in the September quarter 2010 and member (discretionary) contributions were \$529 million (14.5 per cent) higher.
- APRA regulated superannuation FUM (corporate, retail, industry and government) fell by \$40 billion to \$843.4 billion, while self-managed-superannuation FUM fell by \$14.5 billion to \$397.2 billion.

**Table 1 Superannuation Contributions (APRA regulated)**

	Quarterly change		Year on Year	
	\$ million	Change %	\$ million	change %
Employer	-1629	-9.1	1709	11.7
Member	-1591	-27.6	529	14.5
Total	-3220	-13.6	2238	12.3

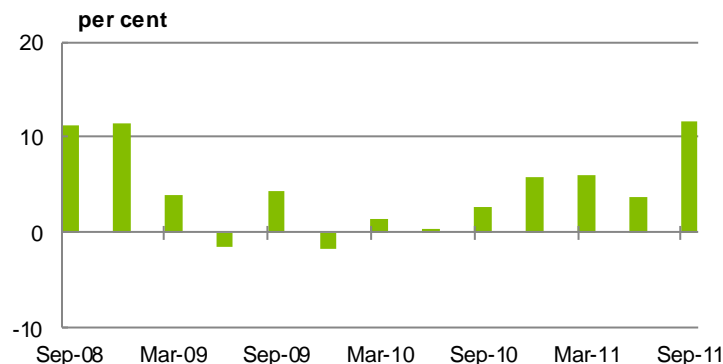
### Commentary

Reflecting volatility on international and domestic markets, total funds under management fell in the September quarter. However, reflecting strong domestic growth, the rally in contributions to superannuation funds which began in mid-2010 continued with strong growth in the September quarter.

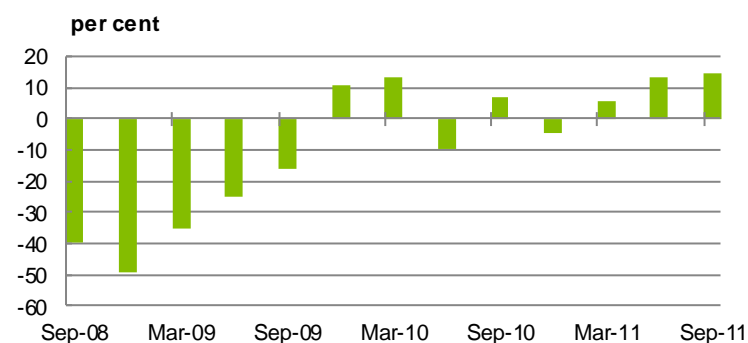
Employer contributions have now recorded seven consecutive quarters of year on year growth. Member (discretionary) contributions also continued to recover, recording the third consecutive rise compared to the same quarter in 2010. Net flows to APRA regulated funds again dipped into negative territory in September driven by net outflows from corporate and industry funds.

## September Quarter 2011

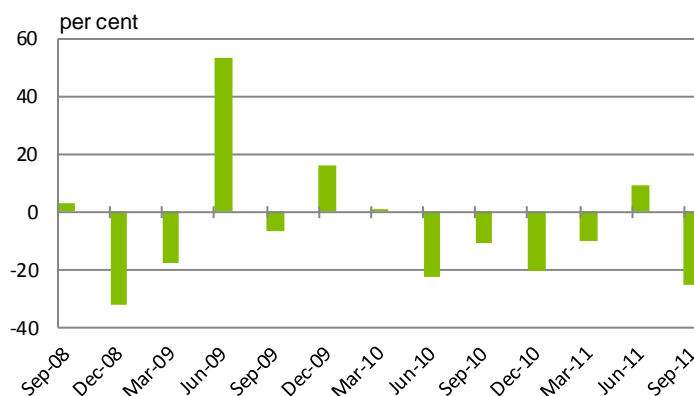
**Chart 1 Employer Contributions: Change Year on Year**



**Chart 2 Member (Discretionary) Contributions: Change Year on Year**



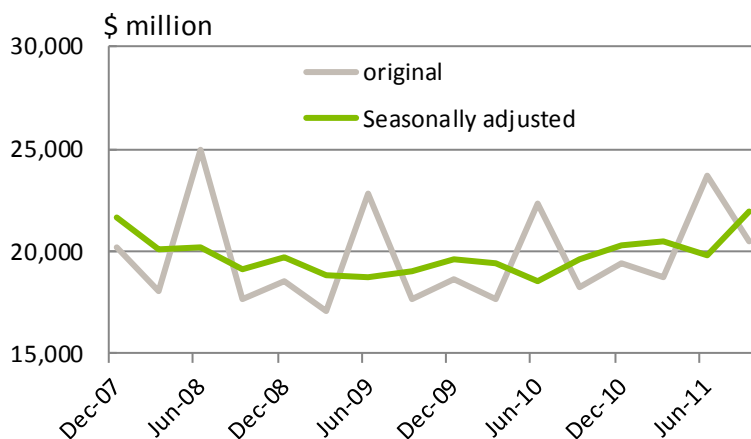
**Chart 3 Net Flows: Change Year on Year**



### Seasonally Adjusted Series\*

To facilitate comparisons between quarters, the FSC has developed a seasonally adjusted series of superannuation contributions.\*

**Chart 4 Total Superannuation Contributions**



**Table 2 Total Superannuation Contributions (original and seasonally adjusted)**

	June \$m	Sept. \$m	Change	
			\$m	%
Original	23,681	20,461	-3220	-13.6
Seasonally Adjusted	19,766	21,939	2173	11.0

\*Superannuation contributions have a strong seasonal pattern (Chart 4). Contributions peak in June each year followed by a significant decline in the September quarter before returning to average levels in December.

The seasonal pattern means it is difficult to see trends in changes in contribution rates from quarter to quarter. To facilitate comparisons from quarter to quarter, the FSC has developed a seasonally adjusted series.