

Super competition for consumers

Funds forced to offer extras in a bid to compete

COMPETITION between super funds has forced many of the big players into offering a wider range of additional benefits.

Apart from investment choice, extras now range from cheap home loans, credit cards and financial planning support to shopping discounts and sophisticated insurance packages.

Industry experts said while many extras were worthwhile, none was a substitute for long-term performance.

"Don't pick funds on benefits. You cannot retire on them. Performance is always uppermost," Rainmaker Information managing director Christopher Page says.

A Rainmaker Information survey has analysed additional benefits and services offered by 146 funds, mainly industry funds and master trusts which comprise about half of all employment-based superannuation.

Top of the list was the Australian Retirement Fund with 25 extra benefits while the Construction and Building Unions fund, Sunsuper and Host Super all offered 20 or more extra services.

Of the master trusts, the Austwide Employer Superannuation plan and ING Corporate Super fund both offered 14 extra benefits while Navigator, Tower Arc and BT Lifetime Super all offered 13 extra benefits and services.

Mr Page says many of the extras are free of fees.

Rainmaker research showed that the Independent Schools Super Fund offered its members death and disability insurance worth \$94,444 for \$1 a week while the Law Employees Super Fund provided cover of \$90,625 for the same amount.

Industry funds were more dominant in the survey mainly due to their size and performance but master trusts also offered a wide range, Mr Page says.

Rainmaker director of research Alex Dun-



Icing on the cake . . . some funds offer extras, but super should be judged on long-term performance

nin says many features that funds used to market as special were now so common they were just the starting point.

"Ninety-two per cent of the funds we surveyed now have a website, 88 per cent have member investment choice, 81 per cent have a call centre, 70 per cent offer insurance of some kind and 66 per cent offer online account access," he says.

At present the more attractive benefits included investment flexibility, a good and well-priced range of insurance options including health and income protection policies, savings and education plans and access to home loans, personal loans and credit cards at competitive rates.

Financial planning support and shopping discounts were also "icing on the cake in terms of benefits", Mr Dunnin says.

However, these services as well as personal

loans and credit cards were offered by fewer than 27 per cent of the funds surveyed.

The Rainmaker survey showed the super funds surveyed offered an average of nine benefits with 43 per cent offering members a choice of asset allocations and 35 per cent offering the choice of fund managers.

Super Concepts superannuation manager Graeme Colley says many people are disenchanted with the performance and the lack of opportunity some super funds provide.

"Many people feel that they don't have any real control over how and where it is invested."

With smaller superannuation funds, such as small APRA funds (SAFs) and self-managed superannuation funds (SMSFs) investment strategies and investment selection were much more flexible and not limited to fixed portfolios.

Rachel Flower, Passion Maps

Sum up your business in one sentence.

We offer practical and inspiring tools that take people and businesses to the source of their passion, that bring clarity and empowerment to their lives.



Rachel Flower

What do you love most about running your own business?

Besides being passionate about what I do I love the freedom to decide where the business is going and how I operate, without having to compromise my values.

What has been your biggest challenge?

Believing in myself enough so that I could confidently step into the corporate arena and go for it!

If you were given \$100,000 to put towards your business, how would you use it?

Set up a foundation so that less fortunate people could experience passion through our program.

Do you have a small business tip?

Don't try and get passionate about what you do. Do what you are passionate about.

How has your life changed since you started your own business?

I'm more confident, more clear about who I am and what I'm doing. I'm part of all kinds of networks now, and find myself being invited to speak or run workshops at events, which I really enjoy.

What is your website address?

www.passionmaps.com