COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

To be treated as strictly CONFIDENTIAL and NOT to be published, broadcast or cabled before MIDNIGHT on THURSDAY, 17TH DECEMBER, 1959.

SPECIAL BUSINESS SURVEY NO. 11

PRIVATE PENSION AND RETIRING ALLOWANCE SCHEMES, 1955-56 TO 1957-58.

In December, 1956 the Bureau of Census and Statistics conducted a survey of the operations for their latest financial year of pension and retiring allowance schemes managed by private businesses. The results of that survey were issued in a mimeographed statement and subsequently published in Finance Bulletin No. 47, Part I. For 1956-57 and 1957-58 returns were obtained covering the operations of the larger funds, which accounted in 1955-56 for about 30 per cent. of the income and outlay of all funds. This bulletin contains the results of these more limited surveys together with the 1955-56 figures for these funds.

From the returns to the survey conducted in 1956, estimates were prepared covering all private businesses subject to pay-roll tax (other than rural industries, private domestic service and coal mining), together with government airlines and banks (where contributing to their own separate funds). However, the later surveys covered only a small number of the larger companies, and it has not been possible to derive from these returns estimates with the same scope as the results of the 1955-56 survey. The estimates following show only the importance of the selected group of funds in the 1955-56 survey and the operations of the same funds over the three-year period; it is not known to what extent their share of the whole field has changed during the three years.

In the detailed survey conducted in 1956 separate information was requested for : -

(i) schemes operated wholly through life assurance companies,

(ii) schemes operated through separately constituted funds,

(iii) direct payments by the employer of pensions and/or retiring allowances.

The 1956-57 and 1957-58 surveys related only to schemes operated through separately constituted funds. Some indication of the relative importance of the three types of scheme in 1955-56 is shown by the following results of that year's survey: -

(i) schemes operated through life assurance companies covered 202,900 employees; employers' contributions were £9.9 million and employees' contributions were £6.4 million;

(ii) schemes operated through separately constituted funds covered 185,600 employees; employers' contributions were £13.2 million and employees' contributions were £5.8 million; pensions and lump sum payments amounted to £4.7 million;

(iii) direct payments of pensions and retiring allowances by employers amounted to £4.1 million.

Income and Expenditure of Superannuation Funds

Table 1 shows the income and expenditure of the selected group of funds.

TABLE 1 : INCOME AND EXPENDITURE OF SUPERANNUATION SCHEMES ORGANIZED THROUGH SEPARATE FUNDS
(£m)

	Complete Survey 1955-56 (a)	Selected Funds		
		1955-56	1956-57	1957-58
Income:				
Contributions - employees	5.8	1.8	1.9	2.1
- employers	13.2	3.3	3.4	3.4
Interest, rent and dividends	6.8	2.3	2.9	3.4
Other Income (b)	.7	.1	.1	.7
Total	26.5	7.5	8.3	9.6
Expenditure: Total (c)	7.0	1.7	2.1	2.2
Increase in Fund	19.5	5.8	6.2	7.4

(a) See comments above regarding the scope of the 1955-56 survey.

(b) Includes profit on sale of investments.

(c) Pensions, lump sum payments, refunds, loss on sale of investments, administrative expenses paid from funds.

These figures indicate that the interest, rent and dividends earned by the selected funds increased more rapidly than either the contributions or the expenditure.

Assets of Superannuation Funds.

Table 2 shows the composition of the assets in Australia of the funds (at book value) at the end of each financial year.

TABLE 2 : ASSETS OF SEPARATELY CONSTITUTED SUPERANNUATION FUNDS
(£m)

	Complete Survey June 1956 (a)	Selected Funds		
		June 1956	June 1957	June 1958
Cash and bank balances	13.0	2.9	2.4	2.6
Commonwealth bonds	51.3	11.3	11.2	10.6
Local and semi-govt. securities	41.9	15.9	18.1	20.2
Loans and mortgage	11.7	6.6	7.3	7.5
Company shares and debentures	39.4	18.4	22.2	27.7
Other assets	11.0	.4	.5	.5
TOTAL	168.3	55.5	61.7	69.1

(a) See comments above regarding the scope of the 1955-56 survey.

The holdings of company shares and debentures and of local and semi-government securities increased more rapidly than any other assets.

A detailed survey, similar in nature to that conducted in 1956 had previously been carried out in 1952. Comparisons between the results of the two surveys were published in Finance Bulletin No. 47, and they indicated that the tendencies, noted above, to relatively rapid rises in interest, rent and dividends and in holdings of company shares and debentures and local and semi-government securities had existed also between 1951-52 and 1955-56.

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA. A.C.T. 17TH DECEMBER, 1959

S.R. CARVER
COMMONWEALTH STATISTICIAN