

Newcastle Superannuation Research Proposal



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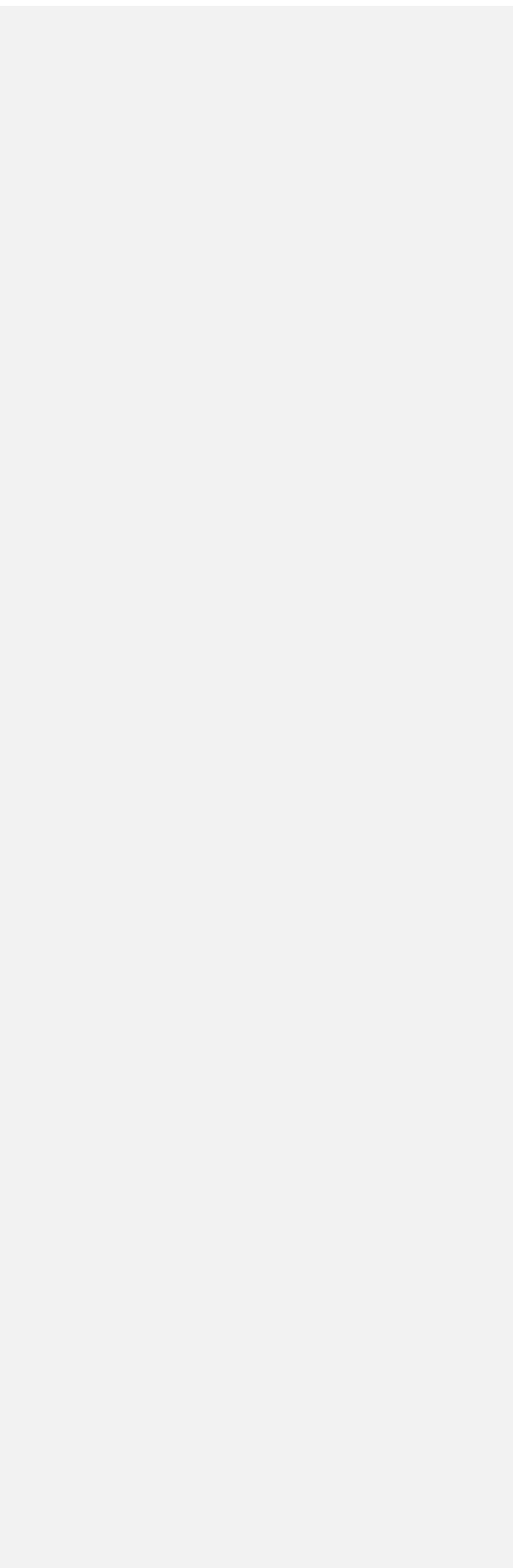
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Background and Problem Statement

In Australia, superannuation is a compulsory system in which employers are required to make contributions out of employees' salary into their nominated superannuation account to provide for their retirement (ASFA, 2021). The objective of superannuation is to provide income in retirement which acts as a supplement or a substitute to the Australian Age pension (Australian Government, 2016). According to the Association of Superannuation Funds of Australia (ASFA), an person needs close to 67% of the amount of income they used to earn while working in order to maintain an equivalent lifestyle after they retire (Kingston & Thorp, 2019). It is also worth noting that in Australia, if a person is an employee and meets the minimum requirements in the superannuation guarantee, the employer of that person must pay a minimum of 9.5% of the ordinary time earnings of that person into a superannuation fund. This money that is held in a superannuation fund is invariably invested in a variety of assets by the employee's fund (Nielson & Harris, 2010).

Whereas the superannuation funds have entrenched the practice of giving their members an option of selecting the investment mix they prefer based on the estimates of the risks involved, many of them do not see the exercise of consulting their beneficiaries on their sustainability preferences as a priority. This is because the interests of the beneficiaries have always been interpreted as being only achieving specific financial returns. However, the past few years have seen an increase in the number of beneficiaries who have preferences on how their investments perform on sustainability matrices. This is because they appreciate that their investments also tend to affect them in other capacities such as citizens and community members. One of the key sustainability preferences that superannuation funds should consult their beneficiaries on are the ESG preferences.

批注 [A1]: Where does this part refer to? Might need to add reference. If you are referring to the article in the assignment instruction, I don't think 'savings' was mentioned in that article?

批注 [A2]: "an employee needs close to 67% of his pre-retirement income..." I'm a little confused about the meaning of this sentence

Purpose of the Research

It is worth noting that beneficiaries are major suppliers of capital which not only allows the responsible investment field to exist but also allows the proper functioning of the financial system. As such, it is important to have an increased consultation with beneficiaries in all areas of their preferences, and particularly in their sustainability preferences. The scope of this research encircles ESG preferences of beneficiaries in the Newcastle superannuation. Primarily, the ESG preferences stand for the environmental, social, and governance preferences of the beneficiaries of a superannuation funds (Cornell, 2021). Through this approach, the research will collect the views of the participants who are members of the Newcastle superannuation system and interrogate them on how they feel about the way in which the superannuation impacts their environment, their society, and how it also impacts how they are governed. This paper will also explore what proportion of superannuation fund members find it useful to invest in environmental and social responsible manner as well as the notable differences across demographics of members. Further, the research will seek to get the verdict of the members of the participants on which of the three aspects of ESG they find most important.

批注 [A3]: The latter part of this sentence is not very easy to understand

Research Design and Questionnaire Design

This study shall employ the use of descriptive research design. A descriptive research design is a scientific method which involves the observation and the description of the behavior of a subject without attempting to influence the subject in any form. This type of research design is always used by many scientific disciplines to get a subject's general overview. Additionally, a descriptive research design is regarded as a method which puts more focus on the "what" of the subject rather the "why" of the subject (Siedlecki, 2020). The descriptive research design is recommended for this study because there is no other better way to get the views of a large

批注 [A4]: The following is the interception of the article in the assignment description, different colors correspond to several aspects that need to be researched, please add the information of the research purpose. These points should also correspond to the contents of the followed paragraphs
 "The management of Newcastle Superannuation, a retail superannuation fund with 850,000 members, wants to understand the ESG preferences of participants in the superannuation system. The fund is seeking to understand what proportion of superannuation fund members would derive utility from their retirement savings being invested in a socially and environmentally responsible manner, and how those preferences differ across demographics. Further, management is interested to know which of three aspects of ESG members find most important: environmental factors, social responsibility or corporate governance."

number of the beneficiaries of Newcastle Superannuation without affecting their normal behavior other than descriptive research design. Further, it has been established that a descriptive design method where is effective where the aim of the research is to identify the traits, categories, and trends. As such, this is useful in this study since the study will be seeking to identify the trends of the perceptions of the beneficiaries of Newcastle superannuation system towards ESG and the aspects of the ESG that majority of the members prioritize as their key ESG preference. Further, scholars have found that a descriptive research design is also useful where there are no much details about the topic or the problem (Siedlecki, 2020). Granted, little research has been done to establish how beneficiaries feel about the effects of superannuation on ESG and the ESG aspects that most beneficiaries of a superannuation system prioritize. Hence, descriptive research is significant in that it looks at what and how the participants feel about the ESG. It is also provided that whereas when true experiments are conducted they give analyzable data, the downside to this is that these experiments normally adversely influence the subject's normal behavior. However, with a descriptive research design method, the subject is always observed in a completely natural and environment (Siedlecki, 2020). Hence, the views of the participants in this research will not be altered in any way. This will guarantee getting honest feelings and views from the members of the Newcastle superannuation about their perspectives on ESG. Further, there are many techniques of research design. In this research, the survey technique will be used.

Questionnaire design

The research shall make use of questionnaires to gather standardized information about the opinions, preferences, and experiences of the beneficiaries of the Newcastle superannuation as they relate to their ESG preferences. It is worth noting that the questionnaire method has been selected in this research because they provide a comparatively cheap, fast, and efficient way of

obtaining large amounts of information (Baker, 2003). Considering that the Newcastle superannuation fund has 850,000 members, questionnaires are no doubt the best data collection method to make sure that a large percentage of these members can take part in the research in a cheaper, faster, and efficient manner.

For this research, the questionnaire will be divided into four sections. In the first section, the questionnaire will ask about the demographic of the respondents. These will include questions on the age of respondents, gender, and race. The second section shall constitute questions on whether the members are satisfied with investments only or whether they would derive utility from their retirement savings being invested in a socially and environmentally responsible manner. The last section will ask members which of the three aspects of ESG they find most important. Here, members will be required to state whether it is environmental factors, social responsibility or corporate governance, and they will be asked to justify the reason for their choice. Since this research has adopted a descriptive research design, Close-ended questions will be favored because they are objective, they save time, and they enable the research to get an extensive range of feedback. Further, it is easy to conduct analysis on the findings from the questionnaires. (Appendix presents the questionnaire)

Sample Design

The study seeks to target participants who are the members of the Newcastle superannuation. Particularly, the sample that shall be used for purposes of getting much informed views is the group of beneficiaries that have contributed to the superannuation for a period of more than 5 years.

批注 [A5]: Need to do a formal questionnaire, Please refer to Appendix A at the end of "Assessment 1-SAMPLE"

19. Appendices

Appendix A

ARA-Survey for Customers (Please select only one)

First Section: About the Customer

✓ (Please tick just one option per question)

Question One: What is the customer's age bracket?

18 to 24 25 to 35 36 to 50 51 to 64 65 and above

Question Two: What will be the gender customer identity with?

Male Female

Question Three: What state does the customer live in?

Queensland Victoria Southern Australia New South Wales Western Australia

Question 4: Estimated number of times customer's head to a shopping mall? As per (2019)

Once a week Once every two weeks Once every three months Once a month Once every six months Once a year Not at all Not able to recall

Section Two: Brick and Mortar retail attendance when COVID 19 stabilises.

➤ What are the feelings and attitudes of customers when it comes to attending malls when COVID-19 stabilises? (Please select one option per line). SD to SA options.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Perceived economic and time value.					
I find retail brick-and-mortar helping me save more money.	1	2	3	4	5
I will buy more when I shop from brick-and-mortar.	1	2	3	4	5
I will head down to a shop as often as I did pre-covid-19.	1	2	3	4	5
I can find more services and products online as compared to brick-and-mortar.	1	2	3	4	5
I find online shopping helping me to save a lot of time.	1	2	3	4	5
Accommodation:					
I do not think it is safe to shop out too much even when COVID-19 has stabilised.	1	2	3	4	5
I do not feel the need to leave my home even without restrictions.	1	2	3	4	5
I find online shopping being an integral aspect of the future.	1	2	3	4	5
I am very satisfied with how I am shopping right now.	1	2	3	4	5

Section three: The safety features of shopping malls/brick and mortar retail.

➤ What about safety that shopping malls/brick-and-mortar retail can do to enhance the experience and increase confidence? (Please select one option per line) - Importance option.

	Not Important	Slight Importance	Neutral	Important	Extremely Important
Placing a limit on the number of customers allowed-Covid management.	1	2	3	4	5
Proper ventilation.	1	2	3	4	5
Constant and proper wearing of face masks.	1	2	3	4	5
Providing hand sanitizers.	1	2	3	4	5
Rearranging the store layout to prevent crowding.	1	2	3	4	5
Staff deployed to ensure social distancing.	1	2	3	4	5
Sanitize the shop floor time to time.	1	2	3	4	5
Restricting entry to individuals who are not feeling well. -through temperature taking etc.	1	2	3	4	5

The sampling size for this survey shall be 2000 respondents, taken from the 850,000 membership of Newcastle superannuation. In order to get the participants that shall be the respondents responsible for answering the questions in the questionnaire, the research shall employ the use of non-probability sampling method (Acharya et al., 2013). Particularly, the research will gather participants using convenience sampling. To accomplish this, flyers shall be produced and posted in the physical offices of the Newcastle superannuation. Additionally, the research shall send advertisements in local newspapers requesting those who have been members of the fund for more than five years and are willing to participate in the research about their ESG preferences in the investments to contact the research team and share their details. Further, the research team shall ask the superannuation management to contact their members through the official communication channels of fund and ask those who want to participate in the survey to contact the research team. All the advertisements, flyers, and official communication from the Newcastle superannuation management will contain contacts of the research team, both email and telephone, and will contain a message requesting calling for Newcastle superannuation members who have been with the fund for more than five years to reach out to the research team if they are interested in sharing their stories of how they feel about ESG preferences.

After the participants have reached out to the research team, chain sampling shall be used to obtain others if the target number wouldn't have been reached yet. In the chain sampling technique, the available study subjects will be used to recruit other participants from among the acquaintances of the participants that will have reached the research team through either email or mobile phone (Acharya et al., 2013). This will guarantee the growth of the study sample to reach the intended number.

Data collection, Processing, and Analysis

Questionnaires shall be used as the sole data collection method in this research. After the participants have been identified, questionnaires will be issued either physically or electronically through e-mails. Once the questionnaires and have been completed and submitted for analysis, the research team shall begin by the preparation of a simple grid which shall be used to collate data provided in the questionnaires. The grid will be essential as there will be a large number of questionnaires. As such, to make the work of interpreting and storing the responses easier, transferring data to a single grid will be important.

The second step that shall be taken is coding the collected data. Since the questions in the questionnaire will be open-ended questions, the responses shall be reviewed and categorized into a sufficiently into a small set of broad categories that will subsequently be coded (Baker, 2003). After the responses have been coded and fed into the grid, the research team shall proceed to calculate the proportions of respondents who answered in a particular way. Further cross-tabulation shall be used for demographic data like gender and race against the respondents' view of what aspect of the ESG is most crucial to them. This will provide an insight on how each demographic of people view the ESG. For instance, it will be easy to understand what most men and women regard as their most preferred aspect of the ESG. Lastly, all the responses shall be tabulated along the Likert-scale. Lastly, the individuals who provided incomplete answers in the questionnaire will be regarded as non-respondents.

Budget and Timeline

Stages	Timeline	Action/Resources	Associated Cost
Survey Design	January 10- January	Head of Team	Australia Average

	14	<ol style="list-style-type: none"> 1. Research leader 2. Assistant for Research 3. Data coordinator 	<ol style="list-style-type: none"> 1. \$70 per hour 2. \$60 per hour 3. \$40
Selection of Sample group	January 15- January 20	<ol style="list-style-type: none"> 1. The expertise for this task shall be outsourced. 	<ol style="list-style-type: none"> 1. \$600
Questionnaires	January 21- February 10	<ol style="list-style-type: none"> 1. Developing the question wording 2. Testing the questionnaires 3. Printing the questionnaires 4. Presenting the questionnaires to the respondents 	<ol style="list-style-type: none"> 1. \$20 2. \$30 3. \$100 4. \$100
Data analysis and preparation of the	February 11- February 15	<ol style="list-style-type: none"> 1. Data analysis (Head of team) 	<ol style="list-style-type: none"> 1. 48hrs 2. 12hrs

research report		2. Preparation of the research report (Research Assistant) 3. Data coordinator	3. 10hrs
Presentation	February 17	Leader	3 hours

Dummy Tables

Dummy Table for section one of Appendix

批注 [A6]: Dummy table needs to be matched with the survey questionnaire, which should also contain demographic information and so on, so the corresponding dummy table also needs to be added.
Please refer to Appendix B at the end of "Assessment 1-SAMPLE"

Demographics	Scale	Count	Percentage of the total
Age group	Under 20	150	7.5
	20-30	250	12.5
	30-40	200	10
	40-50	750	37.5
	50-60	500	25
	60-70	150	7.5
	Aggregate		2000
Gender	Male	800	40

	Female	1200	60
	Aggregate	2000	100
Race	Whites	1200	60
	Blacks	300	15
	Asians	300	15
	Aboriginals	100	5
	Other	100	5
	Aggregate	2000	100

Dummy Table for Section two of Appendix

Category	Scale	Count	Percentage of the total
I am only interested in the investment of my retirement savings	Strongly Disagree	150	7.5
	Disagree	200	10
	Neutral	400	20
	Agree	750	37.5
	Strongly agree	500	25
	Aggregate	2000	100
I am interested in both the investment of my retirement savings and the sustainability of the investments	Strongly Disagree	200	10
	Disagree	500	25
	Neutral	400	20
	Agree	750	37.5
	Strongly agree	150	7.5

	Aggregate	2000	100
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Dummy Tables for Section three of Appendix

I find environmental factors more important	Strongly Disagree	400	20
	Disagree	150	7.5
	Neutral	750	37.5
	Agree	500	25
	Strongly agree	200	10
	Aggregate	2000	100
I find Social Responsibility more important	Strongly disagree	500	25
	Disagree	750	37.5
	Neutral	200	10
	Agree	400	20
	Strongly agree	150	7.5
	Aggregate	2000	100
I find Corporate Governance more important	Strongly disagree	750	37.5
	Disagree	500	25
	Neutral	400	20
	Agree	200	10
	Strongly agree	150	7.5
	Aggregate	2000	100
I find the three	Strongly disagree	150	7.5

aspects of ESG equally important	Disagree	200	10
	Neutral	400	20
	Agree	750	37.5
	Strongly agree	500	25
	Aggregate	2000	100



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Appendix*Newcastle – Survey for Customers (please select one)***First section – Customer Details**

✓ (Please tick only one option per question)

Question one: **What is your age range?** Under 20 20-30 30-40 40-50 50-60 60-70Question two: **What gender do you identify with?** Male FemaleQuestion three: **What race do you identify with?** White Black Asian Aboriginal other**Second section – Preference of superannuation fund members**

(Please select one option per line)

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am only interested in the investment of my retirement savings					

I am interested in both the investment of my retirement savings and the sustainability of the investments					
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Third Section – Preferred ESG aspect

(Please select one option per line)

I find environmental factors more important					
I find Social Responsibility more important					
I find Corporate Governance more important					
I find the three aspects of ESG equally important					