

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

#### AustralianSuper

- AS35QW:** In dollar terms, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?
- a. Investment fees
  - b. Administration fees
  - c. Indirect costs
  - d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, Administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
  - e. An aggregate total of all fees mentioned above.

**Answer:** AustralianSuper members only incur fees and costs categorised as investment fees or administration fees (except in the case of the Member Direct options). That is, there are no costs categorised as indirect costs or costs that would otherwise be captured in paragraph d of the question that are not captured in either paragraphs a or b of the question.

For the accumulation and pension tables below, fees stated are for the Balanced option in which the majority of AustralianSuper members are invested. Other Options attract a different investment fee depending on the nature of the underlying investments in the respective Option.

Also included in the tables is the return a member with that balance would have received during each of the last five years based on the Fund's disclosed net investment returns.

For members in the Member Direct option, in addition to the administration fee that applies to their account, AustralianSuper charges a portfolio administration fee and, depending on the investments selected by members, a cash account fee, brokerage costs and/or penalties for breaking term deposits prior their maturity may

also apply. For further information on fees generally, please refer to: [www.australiansuper.com/RefFees](http://www.australiansuper.com/RefFees).

The tables below assume the member invested 100% of their account balance in the relevant Option and made no contributions during the twelve month period.

Accumulation:

Account balance	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
<b>\$6,000</b>					
Administration fee	\$78.00	\$78.00	\$78.00	\$78.00	\$87.75
Investment fee*	\$33.00	\$38.40	\$34.20	\$39.60	\$33.00
<b>Total fees</b>	<b>\$111.00</b>	<b>\$116.40</b>	<b>\$112.20</b>	<b>\$117.60</b>	<b>\$120.75</b>
Investment return	\$651.60	\$272.40	\$746.40	\$664.80	\$520.20
<b>\$50,000</b>					
Administration fee	\$78.00	\$78.00	\$78.00	\$78.00	\$87.75
Investment fee*	\$275.00	\$320.00	\$285.00	\$330.00	\$275.00
	\$353.00	\$398.00	\$363.00	\$408.00	\$362.75
Investment return	\$5,430.00	\$2,270.00	\$6,220.00	\$5,540.00	\$4,335.00
<b>\$150,000</b>					
Administration fee	\$78.00	\$78.00	\$78.00	\$78.00	\$87.75
Investment fee*	\$825.00	\$960.00	\$855.00	\$990.00	\$825.00
	\$903.00	\$1,038.00	\$933.00	\$1,068.00	\$912.75
Investment return	\$16,290.00	\$6,810.00	\$18,660.00	\$16,620.00	\$13,005.00

\* The methodology to calculate the investment fee was altered in FY2018 to satisfy the requirements of Regulatory Guide 97 published by ASIC (**RG97**). The figures in the table above reflect the amounts incurred by members in the relevant financial year. In accordance with RG97, figures used for public disclosure may differ.

Pension:

Account balance	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
<b>\$6,000</b>					
Administration fee	\$84.60	\$84.60	\$84.60	\$84.60	\$94.35
Investment fee*	\$33.00	\$38.40	\$34.20	\$39.60	\$33.00
	\$117.60	\$123.00	\$118.80	\$124.20	\$127.35
Investment return	\$756.00	\$283.20	\$816.00	\$720.60	\$568.20
<b>\$50,000</b>					
Administration fee	\$133.00	\$133.00	\$133.00	\$133.00	\$142.75
Investment fee*	\$275.00	\$320.00	\$285.00	\$330.00	\$275.00
	\$408.00	\$453.00	\$418.00	\$463.00	\$417.75
Investment return	\$6,300.00	\$2,360.00	\$6,800.00	\$6,005.00	\$4,735.00
<b>\$150,000</b>					
Administration fee	\$243.00	\$243.00	\$243.00	\$243.00	\$252.75
Investment fee*	\$825.00	\$960.00	\$855.00	\$990.00	\$825.00
	\$1,068.00	\$1,203.00	\$1,098.00	\$1,233.00	\$1,077.75
Investment return	\$18,900.00	\$7,080.00	\$20,400.00	\$18,015.00	\$14,205.00

\* The methodology to calculate the investment fee was altered in FY2018 to satisfy the requirements of RG97. The figures in the table above reflect the amounts incurred by members in the relevant financial year. In accordance with RG97, figures used for public disclosure may differ.