

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

AustralianSuper

AS54QW:

For each year of the past decade:

- a. How much is charged for financial planning annually to fund members, and what is the average per fund member?
- b. How much is charged for financial planning annually to funds, and what is the average per fund member?
- c. How much is charged for financial advice annually to fund members, and what is the average per fund member?
- d. How much is charged for financial advice annually to funds, and what is the average per fund member?

Answer:

- a. Fees paid by members for advice that is not general or intra-fund:

Year-ending	Total amount paid by members	Average advice fee charged per statement of advice
30 June 2010	Not applicable	Not applicable
30 June 2011	Not applicable	Not applicable
30 June 2012	\$392,000	Not available
30 June 2013	\$1,050,000	\$1,451
30 June 2014	\$1,230,000	\$1,482
30 June 2015	\$2,218,098	\$1,672
30 June 2016	\$2,443,431	\$1,820
30 June 2017	\$2,943,431	\$2,471
30 June 2018	\$2,024,121	\$2,575
30 June 2019	\$2,176,629	\$2,490

- b. Per the response to AS53QWb, advice that is not general or intra-fund is provided by Industry Fund Services (“IFS”) with which AustralianSuper has a commercial agreement. Since June 2015 the financial planners providing this advice are employees of AustralianSuper, operating as authorised representatives of

IFS. Prior to June 2015 the financial planners were employees of IFS and provided advice to members of AustralianSuper on an embedded or secondment basis.

In the table below, FY15 costs include staff secondment costs in addition to licencing and advice production costs as paid to IFS. FY16 to FY19 costs relate to licencing and advice production costs as paid to IFS.

Year-ending	Total cost to Fund	Number of members	Cost per Fund member
30 June 2010	Not available	1,501,678	Not available
30 June 2011	Not available	1,594,235	Not available
30 June 2012	Not available	1,901,653	Not available
30 June 2013	Not available	2,050,275	Not available
30 June 2014	Not available	2,089,973	Not available
30 June 2015	\$3,547,379	2,095,062	\$1.69
30 June 2016	\$1,644,002	2,131,755	\$0.77
30 June 2017	\$1,499,105	2,157,099	\$0.69
30 June 2018	\$1,076,553	2,228,296	\$0.48
30 June 2019	\$1,219,462	2,155,463	\$0.57*

* For FY19, the cost per Fund member figure is skewed by the large number of member accounts transferred to eligible rollover funds immediately prior to 30 June.

- c. AustralianSuper does not distinguish between financial advisers and financial planners. The response to AS54QWa captures all financial advice.
- d. AustralianSuper does not distinguish between financial advisers and financial planners. The response to AS54QWb captures all financial advice.