

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS REVIEW
OF THE FOUR MAJOR BANKS & OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR
RESPONSES TO QUESTIONS IN WRITING**

NULIS Nominees (Australia) Limited

NU21QW:

Transferring to MySuper products

- a) What was the period of time you took to complete the transfer of your members' accrued default amounts (ADAs) into MySuper products following the commencement of the MySuper regime on 1 January 2014?
- b) How did that duration reflect the best interests of your members?
- c) Was there anything that prevented you from transferring accounts sooner?
- d) Please quantify the fee revenue lost if you had transferred members by 30 June 2014, 2015, 2016 and 2017 respectively.

Answer:

- a) The transition of all ADAs was completed in tranches and was fully complete by 31 March 2017.
- b) The Trustee executed the transition of the ADAs in accordance with statutory and fiduciary obligations whilst considering, and acting in, the overall best interests of members. The transition plan and resulting duration was designed according to the following principles:
 1. to give priority to the interests of members;
 2. to manage risks and costs and to consider the impact of the MySuper Transition on all members of the respective funds;
 3. to minimise the impact on members, their retirement outcomes and benefits; and
 4. to ensure members are given sufficient information and are encouraged in a way that promoted informed choice and advice.

The MySuper Transition involved moving ADAs from a large number of different employer default arrangements to one MySuper product. This involved multiple investment options, across multiple asset classes and a large number of asset managers. It was significant both in terms of assets moved (approximately \$12b) and number of members affected (approximately 412,000). It was undertaken in stages to consider each group of members, and where this did not result in a detriment to other members of the fund.

The Trustee planned for an equitable outcome across the entire membership (as opposed to just the MySuper membership) using the natural turnover of the member base to diminish the size (and therefore the investment cost and impact) of the eventual transition.

There were a number of areas where material benefits and access to services were changed or removed in the MySuper environment. Given the impact on members, the removal or change of these benefits and services was taken into

consideration for the transition of ADAs. The Trustee communicated to members and provided them with the opportunity to understand what the changes meant to them, so they could make informed choices.

- c) Other than what is outlined above in b), the Trustee is not aware of anything else that prevented us transferring accounts sooner.
- d) The timing of the ADA transition was determined in accordance with the principles outlined in b) of this response, an assessment of revenue impacts was not a consideration and as such no calculations were undertaken at the time to assess the forward revenue impacts on the business.