



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

SUPERANNUATION SECTOR

REST

Questions on Notice, Public Hearing 21 November 2019

	Question	Page Number, draft transcript	Answer
REST13QON	How much is the cross-matching service delivered by AUSFund costing Rest? (Wilson)	40	No fees or costs are payable by Rest to AUSFund or by AUSFund to Rest for the eligible rollover fund transfers or cross-matching activity.
REST22QON	Does Rest pay any money to AUSFund, or does AUSFund pay Rest to AUSFund for cross-matching or ERFing? (Wilson)	47	
REST14QON	What results on data matching do AUSFund achieve? (Wilson)	42	For the life of the AUSFund cross-matching and consolidation service, they have achieved a 38% success rate in repatriating to an active account.
REST15QON	Expand on analysis of effect of lower fees, and how much a member would benefit from lower fees being invested in their accounts. Would like a counterfactual elaborating on the difference paying higher fees, or having the differential in their account and how much in return that produces for an average member over, say, 35 years. (Mulino)	44	Modelling and analysis completed by Rice Warner is attached as a separate document. In summary, projected retirement outcomes from age 25 to retirement at age 67 are 5.56%, or \$49,000 higher at Rest current fee levels, compared to a member of a fund whose fees are in the 75 th percentile.

REST16QON	A breakdown of what the balance of accounts when members move into retirement, breakdown of percentiles, average and ranges. (Kelly)	44	Attached as a separate document
REST17QON	Breakdown of funds under management between Australian investments and offshore. (Kelly)	45	Approximate breakdown of funds under management invested in Australia and offshore is: <ul style="list-style-type: none"> • Australia 49% • Offshore 51%
REST18QON	Provide a copy of any document which provides any exclusions of investments. (Wilson)	46	Rest's Sustainability Policy is attached. Section 4.9, commencing page 4, deals with the exclusions related to investments made by Rest.
REST19QON	Provide annual business plan review of associations and sponsorships. (Wilson)	46	Sponsorships and partnerships are reviewed annually against the Rest stakeholder management framework, and considered with the primary intent of supporting Rest members to engage with and understand their superannuation. The results of the 2019 review is attached as separate document. In addition, from 2019, expenditure on sponsorships and marketing is assessed against a checklist of trustee obligations and the requirements of the Superannuation Industry (Supervision) Act 1993 s68A. This process involves consultation with legal advisors to ensure compliance with the relevant obligations.
REST21QON	What percentage of new members are defaulted into Rest, as opposed to voluntarily joining? (Wilson)	46	On average, 90% of new members commencing with Rest are defaulted as opposed to voluntarily joining.
REST20QON	How many new members is the ACTU program bringing in? (Wilson)	46	Rest does not currently collect information on the conversion of marketing activity as part of data we collect for new member onboarding. As detailed in our responses in the public hearing, the ACTU Member Connect program is not focussed on obtaining new members, but on providing an education channel for current fund members. In addition, the ACTU Partnership Program provides other benefits to Rest, and is reviewed on an annual basis against stakeholder management criteria.

Attachments:

1. Rest Sustainability Policy
2. Rest balance of accounts at retirement
3. Rest annual review of associations and sponsorships
4. Rice Warner modelling of impact of various fee basis on projected retirement outcomes