

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

CBUS

CBUS29QW: 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:

As a not-for-profit fund, Cbus aims to maximise members' net returns and does not charge fees on behalf of shareholders. Over the last 35 years, the average annual return for the Cbus Growth (MySuper) option is 9.23%.

Information on aggregate fees paid, fee rebates and discounts costs and rates of return are reported to APRA and can be found in the Annual Fund Level Statistics Back Series:

<https://www.apra.gov.au/sites/default/files/Annual%20Fund-level%20Superannuation%20Statistics%20Back%20Series%20June%202019.xlsx>

As fees will vary by investment option, and many members elect to invest in multiple investment options, Cbus has not provided a full breakdown of fees by investment option and account balance. Instead, by providing aggregate fee data covering all products, Cbus aims to provide an accurate reflection of the fund's overall fee structure in a simple view.

Additional information, including a worked example of the actual fees levied on a \$50,000 fees account balance invested in each product's default investment option, can be found via the relevant product disclosure statements, attached separately with this response.

The table below set out information on the aggregate level of fees paid by members.

	<i>APRA Table Reference</i>	<i>Table 2</i>	<i>Table 2</i>	<i>Table 2</i>	<i>Table 2</i>	<i>Table 2</i>	<i>Table 2</i>	<i>Table 6</i>	<i>Table 6</i>	<i>Table 6</i>	<i>Table 6</i>	<i>Table 6</i>	<i>Table 6</i>
	Period - Financial Year Ending:	Total fees paid	Investment expenses ratio	Operating expense ratio	One-year rate of return	Five-year rate of return	Ten-year rate of return	Total investment fees paid	Total Administration fees paid	Total insurance fees paid	Total exit fees paid	Total switching fees paid	Total activity fees paid
Fund name:		(\$'000)	(%)	(%)	(%)	(%)	(%)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Construction & Building Unions Superannuation	30/06/2019	66,025	0.40%	0.30%	6.90%	8.86%	9.04%	0	62,278	0	3,465	0	282
Construction & Building Unions Superannuation	30/06/2018	61,126	0.60%	0.30%	10.70%	10.13%	6.97%	0	59,330	0	1,557	0	239
Construction & Building Unions Superannuation	30/06/2017	60,045	0.40%	0.30%	11.50%	11.04%	5.36%	0	58,387	0	1,448	0	210
Construction & Building Unions Superannuation	30/06/2016	57,409	0.40%	0.30%	5.60%	8.98%	5.89%	0	55,763	0	1,455	0	191
Construction & Building Unions Superannuation	30/06/2015	57,474	0.40%	0.40%	9.80%	9.53%	6.93%	0	55,919	0	1,348	0	207