

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

OnePath – ANZ

OP15QW: 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 MySuper transition took place over several tranches set out below. Consistent with legislative requirements, as of 30 June 2017, all default members had been successfully transitioned to a MySuper product.

Transfer Month-Year	Members	FUM (\$m)
Nov-15	68,822	3,014
Sep-16	437	12
Nov-16	132,911	2,511
May-17	269	12

- b) Following the implementation of the MySuper reforms, ANZ developed 'Smart Choice' (MySuper) as a simple, cost effective fund for default superannuation members. 'Smart Choice' was developed on a modern technology platform that increased benefits and minimised fees that were charged to members. The transition process was complex as, among other things, ANZ had to migrate members from a number of historical systems. For that reason, members were transitioned in a number of staged tranches to ensure execution risks were minimised. Attempting to transfer all default members from legacy products (using different historical systems) to the new MySuper product (using the new system) at the same time created risks that were not in the best interest of members.
- c) Refer response to part b) above.
- d) The net fee variance is set out below. Amounts represent gross fee revenue less investment management costs and applicable commissions associated with relevant legacy products.

Fee Variance (\$m)	
30 June 2014	45.1
30 June 2015	23.3
30 June 2016	5.4
30 June 2017	0