

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### Sunsuper

**SS54QW:** For each year of the past decade:

- a. What is the cost of general advice annually, and what is the average per fund member?
- b. What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

**Answer:**

As described in responses SS53QW, Sunsuper's advice services include general advice provided to members and intra-fund advice (scaled personal advice in relation to the member's Sunsuper superannuation account).

Additionally, Sunsuper operates a contact centre where factual information and in some cases general advice is provided to members who contact the fund in relation to their account.

- a. Sunsuper does not account for the costs of factual information services, general advice or intra-fund advice separately.

The following represents the annual operating cost of the Sunsuper Member Advice Team (MAC). These costs include employee benefits, training, software licenses, travel and other operating expenses.

Financial Year	Total cost of advice services (\$'000)	Average per member utilising MAC (\$)	Average per fund member (\$)
2009/2010	1,770.3	206.81	1.49
2010/2011	1,984.2	119.61	1.74
2011/2012	2,463.6	136.61	2.12
2012/2013	2,649.1	134.39	2.32
2013/2014	2,825.6	171.68	2.47
2014/2015	3,987.8	292.26	3.52
2015/2016	2,742.1	217.20	2.41
2016/2017	3,456.9	300.26	2.97
2017/2018	4,322.9	479.84	2.96
2018/2019	4,924.9	574.94	3.05

Prior to December 2016 Sunsuper's advice model also included a small number of face-to-face financial advisers. The costs of this advice are included in the above table.

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- b. Sunsuper Financial advisers are eligible for a bonus based on a balanced scorecard that includes achieving customer service-related targets, quality and compliance requirements and in accordance with conflicted remuneration provisions of the Corporations Act 2001. They have never received any commissions.

The following values of bonuses relate to advisers providing general advice and intra fund (scaled personal) advice services.

<b>Financial Year</b>	<b>Aggregate value of bonuses (\$'000)</b>	<b>Average per adviser (\$)</b>
2009/2010	52.9	2,644
2010/2011	51.1	2,557
2011/2012	78.5	3,411
2012/2013	85.8	3,652
2013/2014	108.4	3,872
2014/2015	251.1	9,659
2015/2016	237.5	9,498
2016/2017	230.2	10,009
2017/2018	508.8	18,170
2018/2019	458.1	13,881

Prior to December 2016, Sunsuper's advice model also included a small number of face to face financial advisers. The bonuses for these advisers are included in the above table.