

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings October 2016
Communications Portfolio
Australian Postal Corporation

Question No: 100

Australia Post

Hansard Ref: Written, 31/10/2016

Topic: AMP default accumulation superannuation plan

Senator Urquhart, Anne asked:

Please provide information about the default superannuation scheme for new Australia Post employees:

- (a) When did Australia Post enter into arrangements with AMP to establish this scheme as the default superannuation fund?
- (b) What process was undertaken to determine this plan as the default fund?
- (c) What has been the plan's performance since its establishment? Include the average percentage of annual returns for members.
- (d) What average monetary level of fees is charged annually to each member of the plan?

Answer:

- (a) Australia Post entered into a participation agreement with AMP to provide a default accumulation superannuation fund in December 2011 – the Australia Post Superannuation Plan (APSP).
- (b) Four superannuation funds were invited to respond to a Request for Information to provide a default accumulation fund for Australia Post. Invitees and respondents were AMP, Australian Super, Russell Investments and Host Plus. Australia Post assessed and rated the responses to determine the most suitable provider for employees.
- (c) The average investment return of the APSP has been 10.8% per annum since inception.*
- (d) Fees (all fees including investment fees) payable on the average APSP account balance as at 30 September 2016 were \$127.30 p.a.**

Premiums for death, total and permanent disablement and salary continuance insurance are also charged and the premium varies on the age of the member and the level of insurance chosen. Employees may choose to reduce one or all types of insurance cover to zero.

* Assumes the applicable default investment choices for the relevant periods - "Balanced" investment option from 2012 to 2014 and "MySuper 1970s" investment option from 2014 to 30 September 2016. Performance is net of investment fees, the administration fee and incorporates the Australia Post Large Plan discount, and superannuation taxes. It does not account for the member fee.

** Average account balance as at 30 September 2016 was \$9,180.