

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 16

Topic: Superannuation losses

Hansard Page: Written

Senator Eggleston asked:

1. What is the total loss (or gain) attributable to Australia's superannuation funds to date this quarter and financial year?
2. What is the average loss (or gain) across retail funds? And industry funds?
3. Have more Australians used Superannuation Choice in order to select a non-default fund than in previous years?
4. Has the rate of withdrawal from superannuation increased since the advent of increased public awareness of the global financial crisis?
5. What concerns does APRA have about this (if there has been a dramatically increased rate of exit)?

Answer:

- 1) These data include APRA-regulated entities with at least \$50 million in assets as at June 2007 and do not include pooled superannuation trusts (PSTs).

	March 2008 quarter	June 2008 quarter
Total capital gains/losses on investments (\$m)	- 67,649	- 21,934
Total assets (\$m)	772,737	769,620
Total capital gains/losses on investments as a proportion of total assets (%)	-8.8%	-2.8%

Entities with at least \$50 million in assets	12 months to June 2007	12 months to June 2008
Total capital gains/losses on investments (\$m)	68,219	-95,893
Total assets (\$m)	810,735	769,620
Total capital gains/losses on investments as a proportion of total assets (%)	8.4%	-12.5%

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- 2) These data include APRA-regulated entities with at least \$50 million in assets as at June 2007 and do not include PSTs.

	Retail funds			Industry funds	
	March 2008 quarter	June 2008 quarter		March 2008 quarter	June 2008 quarter
Total capital gains/losses on investments (\$m)	-33,408	-12,424	Total capital gains/losses on investments (\$m)	-16,710	-4,210
Total assets (\$m)	342,897	340,618	Total assets (\$m)	197,437	199,197
Total capital gains/losses on investments as a proportion of total assets (%)	-9.7%	-3.6%	Total capital gains/losses on investments as a proportion of total assets (%)	-8.5%	-2.1%

	Retail funds			Industry funds	
	June 2007 year	June 2008 year		June 2007 year	June 2008 year
Total capital gains/losses on investments (\$m)	30,196	-50,672	Total capital gains/losses on investments (\$m)	17,611	-22,266
Total assets (\$m)	368,753	340,618	Total assets (\$m)	197,269	199,197
Total capital gains/losses on investments as a proportion of total assets (%)	8.2%	-14.9%	Total capital gains/losses on investments as a proportion of total assets (%)	8.9%	-11.2%

- 3) Fund choice is a matter between members and their employers. APRA's collection of information does not go into this level of detail.
- 4) The withdrawal rate is only relevant for fund members who are able to withdraw funds. Absent extremely limited circumstances, this group comprises retired members of defined contribution funds, and some pension holders. APRA is not aware of any material increase in withdrawal rate among these fund members.
- 5) As there has not been a dramatically increased rate of exit, this question is not applicable.