

MEDIA RELEASE 14 June 2022

## **AustralianSuper to lower costs to members through reduced administration fees**

Over 1.7 million AustralianSuper members will see their administration fee reduce from September this year as part of a wider package to lower costs to members by around \$300 million this year.

Members with less than \$50,000 in their super account will pay almost 60% less in administration fees than they currently do, while retired members in a Choice Income pension account will see an average decrease in their administration fees of 25%.

Over half a million low-balance members will see no change to their administration fees bringing the total number of members whose administration fees will stay the same or decrease to nearly 2.3 million.

The Fund has delivered members savings of around \$300 million this year with lower administration fees, reduced insurance costs and the financial benefits from the internalisation of the investment team.

AustralianSuper Chief Executive Paul Schroder said the fee reductions were great news for members at a time when many Australians are facing increasing costs of living pressures.

'AustralianSuper's fees are among the lowest in the industry and this, together with strong long-term investment returns, is helping members achieve their best financial position in retirement,' Mr Schroder said.

'As the largest super fund, AustralianSuper continues to harness its size and scale to benefit members.'

Mr Schroder said that the administration fee reduction along with a recent reduction in insurance fees and the ongoing internalisation of investment management is saving members more than \$300 million.

'Size and scale matters because we can continue to use economies of scale to do more for members at lower cost,' Mr Schroder said.

Members will see the fixed part of the administration fee change to \$1 a week which is less than half the previous \$2.25 a week.

The internalisation of investments has delivered lower costs of almost \$1 billion to members over the past eight years. This has seen the Investment cost for members in the flagship Balanced option reduce from a peak of 0.84% in 2009 to 0.63% last year.

The new admin fee structure will be \$1 a week plus 0.10% of a member's balance, which is capped at \$350 a year for members still saving and \$600 a year for members with a Choice Income pension or TTR Income account.

It is estimated that less than 5% of members will pay the maximum capped fees.

Over 1.13 million members will also see the cost of their insurance decrease this year. This is around 99% of all insured members and represents a saving of almost \$90 million for these members.

Insurance is an important part of members' financial safety net and AustralianSuper uses its size to negotiate discounted bulk insurance rates to offer affordable cover coupled with strong support for members who claim.

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## **About AustralianSuper**

AustralianSuper manages more than \$261 billion in members' retirement savings on behalf of more than 2.7 million members from more than 398,000 businesses (as at 31 March 2022). One in 10 working Australians is a member of AustralianSuper, the nation's largest superannuation fund. AustralianSuper's Balanced option has generated a 10-year rolling return of 9.84% per annum to 31 March 2022, making it one of the top three performing funds in Australia over the long-term.<sup>1</sup> AustralianSuper's fees are among the lowest in the industry.<sup>2</sup>

<sup>1</sup> AustralianSuper Balanced investment option as compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) to 31 March 2022. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

<sup>2</sup>Chant West Super Fund Fee Survey at 31 December 2021. Based on \$50,000 invested in the AustralianSuper MySuper Balanced option.

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Comparison statements of the current administration fee with the new administration fee are based on member balances as at 30 April 2022.