Australian Government
Productivity Commission

Funds survey

Superannuation: Assessing Efficiency and Competitiveness Draft Report

Technical Supplement 2

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The Productivity Commission

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Technical supplement 2: funds survey

This technical supplement provides selected results from the Commission's survey of superannuation funds that are regulated by the Australian Prudential Regulation Authority (APRA). Information about the survey design and process is included in appendix C.

There are two sections to this supplement. Section 2.1 presents selected descriptive statistics and response rates. Section 2.2 provides relevant tables and figures that support the text in various chapters throughout the inquiry report.

To the extent that there are survey data not published in this supplement but deemed by participants (through their submission) to be useful for the purpose of this inquiry, the Commission will consider the merit of including those in aggregated and de-identified form in the final version of this technical supplement.

2.1 Selected descriptive and response statistics

There were 208 registrable superannuation entities (RSEs) invited to participate in the survey, and 114 responses were received (table 2.1). Over 80 per cent of industry funds responded, while the response rate for other fund types was around or below 50 per cent.

Table 2.1 **Funds survey response rates**
By fund type

Fund type	*Survey responses (no.)*	*Survey invitations (no.)*	*Response rate (%)*	*Assets share*[a] *(%)*	*Accounts share*[a] *(%)*
Retail	57	118	48.3	88.5	91.4
Industry	34	41	82.9	96.5	94.4
Corporate	11	23	47.8	90.2	92.0
Public sector	9	18	50.0	77.7	70.5
Eligible rollover fund (ERF)[b]	3	8	37.5	59.9	73.8
Total	114	208	54.8	89.5	88.4

[a] Asset and accounts shares are calculated using 2017 APRA data. They indicate the per cent of total assets and accounts held by funds that provided survey responses, respectively. [b] As there are only three eligible rollover funds (ERFs), they are grouped with other retail funds unless otherwise specified.

Source: Funds survey.

Table 2.2 **Total assets and accounts of survey respondents**[a]

By fund type

Type	*Responses (no.)*	*Total assets ($m)*	*Accounts ('000)*	*Responses (%)*	*Assets (%)*	*Accounts (%)*
Retail	57	415 102.0	7 871.5	50.0	38.3	34.5
Industry	34	450 005.6	10 496.1	29.8	41.5	46.0
Corporate	11	43 471.3	279.2	9.6	4.0	1.2
Public sector	9	172 912.2	1 837.2	7.9	15.9	8.1
ERF[b]	3	2 800.6	2 312.6	2.6	0.3	10.1
Total	114	1 084 291.8	22 796.7	100.0	100.0	100.0

a Asset and accounts information is based on 2017 APRA data. **b** ERFs are grouped with other retail funds unless otherwise specified.

Source: Funds survey.

Table 2.3 **Cell completions by survey topic**[a]

Percentage of cells completed

Section	*Retail*[a]	*Industry*	*Corporate*	*Public sector*	*Total*
Fund activity	55.5	64.7	68.1	43.5	58.5
General	77.0	89.9	86.4	80.2	82.0
Governance	100.0	99.5	100.0	95.8	99.5
Insurance	67.5	75.5	81.7	59.1	70.6
Market contestability	67.0	73.8	78.2	71.6	70.6
Member engagement	84.3	88.6	89.1	82.2	85.9
Net returns and fees	10.2	28.3	20.6	17.5	17.3
Total	36.4	49.9	46.0	38.8	41.7
Number of funds	*60*	*34*	*11*	*9*	*114*

a ERFs are grouped with other retail funds unless otherwise specified.

Source: Funds survey.

2.2 Supporting results

Member engagement

Table 2.4 **Annual expenditure on member education and engagement[a]**
By fund type, 2016-17

Type	*Intra fund advice ($m)*	*General and super advice ($m)*	*Tools to assist planning ($m)*	*Assets[b] ($m)*	*Number of responding funds[c]*
Retail	0.8	34.5	1.0	217 857.2	21
Industry	16.6	22.8	2.0	318 162.7	23
Corporate	6.1	5.5	0.7	39 858.3	6
Public sector	23.4	38.9	1.4	159 489.3	6
Total	46.9	101.7	5.0	735 367.5	56

a Results are derived from survey question 8. **b** Asset information is based on 2017 APRA data. **c** 29 of the 114 responding funds reported that expenditures on member engagement and education are not relevant as they do not engage directly with members.

Source: Funds survey.

Table 2.5 **Availability of information from various sources**[a]

Per cent, by fund type

Information	*Retail*	*Industry*	*Corporate*	*Public sector*	*Total*
Call centre					
Fees paid	84.2	100.0	90.9	100.0	91
Insurance amount	75.4	100.0	90.9	100.0	86.5
Insurance premiums	73.7	100.0	90.9	100.0	85.6
Net investment returns	80.7	97.1	72.7	88.9	85.6
Risk	84.2	100.0	72.7	100.0	89.2
Mobile app					
Fees paid	47.4	91.2	63.6	77.8	64.9
Insurance amount	42.1	91.2	72.7	77.8	63.1
Insurance premiums	42.1	91.2	72.7	77.8	63.1
Net investment returns	43.9	88.2	72.7	77.8	63.1
Risk	47.4	88.2	54.5	77.8	63.1
Statement					
Fees paid	86	100.0	90.9	100.0	91.9
Insurance amount	80.7	100.0	90.9	100.0	89.2
Insurance premiums	77.2	100.0	90.9	100.0	87.4
Net investment returns	82.5	97.1	100.0	100.0	90.1
Risk	77.2	94.1	72.7	88.9	82.9
Website					
Fees paid	78.9	100.0	90.9	100.0	88.3
Insurance amount	73.7	100.0	90.9	100.0	85.6
Insurance premiums	73.7	100.0	90.9	100.0	85.6
Net investment returns	77.2	97.1	90.9	100.0	86.5
Risk	80.7	100.0	81.8	100.0	88.3
Number of responding funds	*57*	*34*	*11*	*9*	*111*

[a] Results are derived from survey question 9 which asks funds if they believe member with average financial and superannuation literacy can easily obtain different types of information from different sources.

Source: Funds survey.

Table 2.6 **How satisfied are your members with different aspects of fund services?**[a]

Per cent

Fund service	*Very satisfied*	*Somewhat satisfied*	*Neither satisfied nor dissatisfied*	*Somewhat dissatisfied*	*Very dissatisfied*	*Information not available*
Availability of information on fees and charges	23.8	34.3	10.5	1.0	–	30.5
Availability of information on risks related to investments	19.4	35.9	12.6	–	1.0	31.1
Availability of information on the features of the fund	25.7	37.6	4.0	1.0	–	31.7
Ease of contacting the fund	50.9	16.0	3.8	–	–	29.2
Ease of making changes to the insurance options	8.6	37.6	15.1	3.2	–	35.5
Ease of making changes to the investment options	29.0	28.0	9.7	–	–	33.3
Ease of understanding the fund statement	30.5	30.5	4.8	1.9	1.9	30.5
Information that members receive on how money is being invested	18.4	42.7	7.8	1.9	1.0	28.2
Level of administration fees	18.6	33.3	16.7	2.9	–	28.4
Level of investment fees	16.2	34.3	15.2	3.0	–	31.3
Level of member support and advice services	37.5	27.9	8.7	1.9	–	24.0

a Results are derived from survey question 10 which asks funds how satisfied they feel members are with different aspects the services provided by the fund. – Nil or rounded to zero.

Source: Funds survey.

Table 2.7 **Sources of information about member satisfaction**[a]

Per cent

Type	*Member survey (%)*	*Focus group (%)*	*Member feedback (%)*	*No. of responding funds*[b]
Retail	71.0	32.3	90.3	31
Industry	100.0	43.8	84.4	32
Corporate	70.0	30.0	90.0	10
Public sector	100.0	57.1	85.7	7
Total	85.0	38.8	87.5	80

a Results are derived from survey question 11, which asks funds if they use different sources of information to form a view about customer satisfaction. **b** 34 funds did not answer this question.

Source: Funds survey.

Table 2.8 **Information collected by funds**[a]

Per cent

Type of information	*Collected directly*	*Collected indirectly*	*Not collected*
Age	73.2	11.6	15.2
Education	3.6	90.2	6.2
Household income	7.1	79.5	13.4
Household wealth	7.1	86.6	6.2
Marital status	15.2	75.9	8.9
Number of dependents	14.3	79.5	6.2
Personal income	24.1	58.9	17.0
Personal wealth	9.8	74.1	16.1
Profession	26.8	58.0	15.2
Smoking status	21.4	75.9	2.7

a Results are derived from survey question 13, which asks if the responding fund collects different types of information. 112 funds answered this question.

Source: Funds survey.

Table 2.9 **If collected, what information is used in pricing different products?**[a]

	Product types				
Type of information	*Default/MySuper (%)*	*Choice (%)*	*Retirement (%)*	*Insurance (%)*	*No. of responding funds*
Age	53.5	55.6	60.6	75.8	99
Education	18.2	27.3	18.2	54.5	11
Household income	17.4	34.8	43.5	52.2	23
Household wealth	26.7	26.7	46.7	40.0	15
Marital status	22.2	18.5	33.3	44.4	27
Number of dependents	21.7	21.7	21.7	43.5	23
Personal income	41.3	52.2	47.8	73.9	46
Personal wealth	34.5	48.3	69.0	58.6	29
Profession	38.3	46.8	34.0	87.2	47
Smoker	–	14.8	–	77.8	27

a Results are derived from survey question 15, which asks if funds use information that is collected in the pricing of various products. – Nil or rounded to zero.

Source: Funds survey.

Table 2.10 **Member activities**[a]

Percentage of members undertaking different activities in 2016-17

Type	*Made a voluntary contribution*	*Sought intra-fund advice*	*Received fee-for-service advice*	*Changed investment options*	*Changed insurance options*
Retail	8.3	0.4	2.9	18.8	11.7
Industry	11.3	0.9	0.2	2.8	1.7
Corporate	15.1	1.5	1.4	9.1	5.3
Public sector	15.0	1.9	1.2	3.7	6.2
Total	10.7	1.0	0.7	6.3	4.9

[a] Results are derived from survey question 20, which asks funds to estimate the percentage of their members who undertook various activities within a given year. Fund-level percentages are weighted by the number of members in order to produce aggregate estimates.

Source: Funds survey.

Table 2.11 **Obstacles faced by members in switching funds**[a]

Average ranking of main obstacles, by fund type

Type	*Administration costs*	*Availability of information*	*Time to understand and evaluate options*	*No. of responding funds*
Retail	2.77	2.08	2.77	60
Industry	2.84	2.00	2.84	31
Corporate	2.73	2.00	2.73	11
Public sector	2.71	1.71	2.71	7
Total	2.78	2.03	2.78	109

[a] Results are from survey question 21, which asks funds to rank obstacles from 1 to 3.

Source: Funds survey.

Table 2.12 **Minimum number of 'clicks' required to access key terms, conditions, fees and performance of MySuper products**[a]

By fund type

Type	*Clicks*
Retail	1.81
Industry	2.39
Corporate	3.36
Public sector	2.50
Total	2.19

[a] Results are from survey question 22, which asks respondents what the minimum number of clicks required for a member to access key product terms, conditions, fees and performance of MySuper products from the fund' homepage. 109 funds answered this question. Of the 57 retail funds that answered this question, 10 funds indicated that it would require 0 clicks to access this information.

Source: Funds survey.

Table 2.13 **Options for members to switch to and from funds**[a]

Per cent of funds providing options, by fund type

Type	*Call centre*	*Fax*	*Email*	*Online*	*Post*	*MyGov website*	*No. of responding funds*
Option is available							
Retail	45.0	70.0	50.0	41.7	56.7	61.7	60
Industry	94.1	91.2	85.3	97.1	94.1	88.2	34
Corporate	72.7	81.8	81.8	63.6	81.8	72.7	11
Public sector	66.7	77.8	77.8	77.8	77.8	77.8	9
Total	64.0	78.1	65.8	63.2	71.9	71.9	114
Action can be fully completed							
Retail	15.0	56.7	38.3	33.3	48.3	55.0	60
Industry	67.6	70.6	44.1	94.1	82.4	79.4	34
Corporate	27.3	54.5	36.4	54.5	45.5	54.5	11
Public sector	11.1	55.6	11.1	55.6	55.6	66.7	9
Total	31.6	60.5	37.7	55.3	58.8	63.2	114

a Results are from survey question 23, which asks responding funds how prospective members who wish to move their accumulated balance to that fund may do so.

Source: Funds survey.

Governance

Table 2.14 **Performance attribution analysis**[a]

By fund type

	Unit	*Retail*	*Industry*	*Corporate*	*Public sector*	*Total*
Does the fund undertake performance attribution analysis to understand the source of returns?						
Yes	%	71.7	97.1	81.8	87.5	81.4
No	%	28.3	2.9	18.2	12.5	18.6
Total	No.	60	34	11	8	113
How often is performance attribution analysis undertaken?[b]						
Monthly	%	30.2	15.6	55.6	57.1	29.7
Quarterly	%	69.8	62.5	44.4	42.9	62.6
Semi-annually	%	–	3.1	–	–	1.1
Annually	%	–	18.8	–	–	6.6
Total	No.	43	32	9	7	91
Is performance attribution analysis undertaken separately by and within asset class?[b]						
Yes, by asset class only	%	67.4	18.2	22.2	14.3	41.3
Yes, by asset class and within asset class	%	27.9	75.8	66.7	85.7	53.3
No	%	4.7	6.1	11.1	–	5.4
Total	No.	43	33	9	7	92
Are any of the results of the performance attribution analysis made available to members?[b]						
Yes, results are published	%	2.3	3.0	11.1	–	3.3
Yes, results are available to members on request	%	18.6	12.1	11.1	57.1	18.5
No	%	79.1	84.8	77.8	42.9	78.3
Total	No.	43	33	9	7	92

a Results are from survey questions 28, 29, 30 and 31. **b** Funds are only asked these questions if they have indicated that they do undertake performance attribution analysis. – Nil or rounded to zero.

Source: Funds survey.

Insurance

Table 2.15 **How difficult or easy is it for a 'reasonable member' to undertake various actions?[a]**

By fund type

Type	*Very difficult (%)*	*Difficult (%)*	*Neither difficult nor easy (%)*	*Easy (%)*	*Very easy (%)*	*No. of responding funds*
Opt out of insurance						
Retail	–	–	–	73.7	26.3	19
Industry	–	–	3.0	57.6	39.4	33
Corporate	–	–	–	33.3	66.7	9
Public sector	–	16.7	16.7	50.0	16.7	6
Total	–	1.5	3.0	58.2	37.3	67
Amend their cover						
Retail	–	–	21.1	73.7	5.3	19
Industry	–	–	9.1	72.7	18.2	33
Corporate	–	–	–	77.8	22.2	9
Public sector	–	–	33.3	33.3	33.3	6
Total	–	–	13.4	70.1	16.4	67
Initiate a temporary or permanent disability claim[b]						
Retail	–	–	5.3	78.9	15.8	19
Industry	–	–	18.2	57.6	24.2	33
Corporate	–	–	–	66.7	33.3	9
Public sector	–	–	33.3	16.7	50.0	6
Total	–	–	13.4	61.2	25.4	67
Initiate a life insurance claim[b]						
Retail	–	–	10.5	78.9	10.5	19
Industry	–	–	15.2	63.6	21.2	33
Corporate	–	–	–	66.7	33.3	9
Public sector	–	–	33.3	16.7	50.0	6
Total	–	–	13.4	64.2	22.4	67
Initiate an income protection insurance claim[b]						
Retail	–	–	15.8	68.4	15.8	19
Industry	–	–	15.2	63.6	21.2	33
Corporate	–	–	–	77.8	22.2	9
Public sector	–	–	33.3	16.7	50.0	6
Total	–	–	14.9	62.7	22.4	67

[a] Results are from survey question 32. A 'reasonable' member is someone considered to have an average level of financial and superannuation literacy. [b] 'Initiating an insurance claim' refers to all the steps a member must take to register a claim with the fund, irrespective of the nature or complexity of the claim or the eventual result of that claim. – Nil or rounded to zero.

Source: Funds survey.

Table 2.16 Insurance cover by account type[a]

Per cent of accounts, 2016-17

Account type	*Default*	*Group policy*	*Individual*	*No cover (opted out)*	*No cover (no default)*	*Total*
Default/MySuper	63.8	9.1	4.2	22.9	–	100
Choice	15.5	2.4	7.4	15.7	58.9	100

[a] Results are derived from survey question 34 which asks funds to indicate the number of MySuper and Choice member accounts had different levels of insurance cover. 75 funds responded to at least one of Choice and MySuper/Default sections for 2016-17 of this question in the funds survey, representing 59 per cent of balances and 51 per cent of accounts. – Nil or rounded to zero.

Source: Funds survey.

Table 2.17 Funds reviewing insurance arrangements[a]

Percentages, by fund type and year

	2012-13	*2013-14*	*2014-15*	*2015-16*	*2016-17*	*No. of responding funds*
Funds conducting an informal review for the selection of an insurance provider						
Retail	38.6	43.9	42.1	49.1	47.4	57
Industry	21.9	27.3	31.2	34.4	48.5	33
Corporate	18.2	18.2	36.4	18.2	45.5	11
Public sector	28.6	42.9	14.3	42.9	71.4	7
Total	30.3	35.5	35.8	40.4	48.2	110
Funds switching insurance providers						
Retail	7.0	5.3	3.5	5.3	17.5	57
Industry	12.5	6.1	9.4	9.4	18.2	33
Corporate	18.2	–	–	18.2	–	11
Public sector	14.3	14.3	–	28.6	42.9	7
Total	10.1	5.5	4.6	9.2	17.3	110
Conducting formal tender process for selection of insurance product						
Retail	15.8	7.0	8.8	10.5	19.3	57
Industry	21.9	30.3	12.5	18.8	18.2	33
Corporate	18.2	27.3	–	18.2	9.1	11
Public sector	42.9	28.6	14.3	57.1	42.9	7
Total	19.3	17.3	9.2	16.5	19.1	110

[a] Results are derived from survey question 40. 110 funds (including 33 industry and 57 retail) responded to this question in the funds survey, representing 88 per cent of balances and 84 per cent of accounts. – Nil or rounded to zero.

Source: Funds survey.

Table 2.18 **Inactive accounts with and without insurance cover**[a]

2016-17

Type	*Inactive accounts (no.)*	*Inactive accounts paying insurance (no.)*	*Inactive accounts paying insurance (%)*	*Total accounts (no.)*	*No. of responding funds*
Retail	3 196 178	976 894	30.6	6 685 772	38
Industry	2 540 695	1 489 323	58.6	8 044 048	27
Corporate	78 042	55 891	71.6	275 384	10
Public sector	773 650	393 250	50.8	1 940 535	5
Total	6 588 565	2 915 358	44.2	16 945 739	80

a Results are based on survey questions 6, 41 and 42. Question 6 asks funds about the number of accounts at 30 June 2017; while question 41 asks funds about the number of inactive accounts they have. Question 42 asks for the percentage of inactive accounts that are paying insurance.

Source: Funds survey.

Table 2.19 **Funds reporting trailing commissions**[a]

	Accumulation products	*Insurance products*
Number of funds paying commissions	35	32
Per cent of all respondents	31.3	28.6

a Results are based on survey question 43 which asked if the fund has members that are paying trailing adviser commissions. 112 funds answered this question, and all funds paying trailing adviser commissions were retail funds. Funds that advised that they were paying trailing adviser commissions were also asked what proportion of their members were paying these commissions, but only 17 funds answered this question.

Source: Funds survey.

Fund activity and product development

Table 2.20 **Expenses as a percentage of total assets 2016-17[a]**

Survey responses

	Number of funds answering questions (no.)	*Per cent of responding funds (%)*	*Assets of funds answering questions ($m)*	*Per cent of assets of responding funds (%)*	*Accounts of funds answering questions ('000)*	*Per cent of accounts of responding funds (%)*
Administration expenses						
Retail	18	31.6	111 733	26.9	3 002	38.1
Industry	9	26.5	148 238	32.9	2 739	26.1
Corporate	6	54.6	26 487	60.9	144	51.5
Total	33	29.0	286 458	26.4	5 885	25.8
Custody expenses						
Retail	19	33.3	112 718	27.2	3 007	38.2
Industry	8	23.5	147 695	32.8	2 696	25.7
Corporate	5	45.5	26 015	59.8	137	49.0
Total	32	28.1	286 428	26.4	5 840	25.6
Other investment services expenses						
Retail	18	31.6	111 733	26.9	3 002	38.1
Industry	10	29.4	184 242	40.9	3 572	34.0
Corporate	5	45.5	26 015	59.8	137	49.0
Total	33	29.0	321 990	29.7	6 711	29.4
Investment management expenses						
Retail	18	31.6	111 733	26.9	3 002	38.1
Industry	9	26.5	148 238	32.9	2 739	26.1
Corporate	5	45.5	26 015	59.8	137	49.0
Total	32	28.1	285 986	26.4	5 877	25.8
Other investment services expenses						
Retail	18	31.6	111 733	26.9	3 002	38.1
Industry	11	32.4	165 319	36.7	3 037	28.9
Corporate	5	45.5	26 015	59.8	137	49.0
Total	34	29.8	303 067	28.0	6 175	27.1

a Results are based on survey question 55, which asked funds to detail five categories of expenses as a percentage of their total assets.

Source: Funds survey.

Table 2.21 **How does a fund's capacity to move wholesale services in-house influence competitive pressure on wholesale providers of those services?**[a]

Wholesale services, by fund size

	No influence at all (%)	*Minimal influence (%)*	*Moderate influence (%)*	*High influence (%)*	*Very high influence (%)*	*Total (%)*	*No. of responding funds*
Smaller funds (with less than mean assets)							
Administration of accounts	36.6	26.8	9.8	17.1	9.8	100.0	41
Custody	59.1	25.0	2.3	2.3	11.4	100.0	44
Investment management	34.1	19.5	14.6	26.8	4.9	100.0	41
Other administration services	15.9	27.3	27.3	18.2	11.4	100.0	44
Other investment services	28.2	15.4	35.9	17.9	2.6	100.0	39
Larger funds (with more than mean assets)							
Administration of accounts	13.0	13.0	17.4	43.5	13.0	100.0	23
Custody	66.7	11.1	11.1	7.4	3.7	100.0	27
Investment management	14.8	3.7	40.7	40.7	–	100.0	27
Other administration services	11.5	11.5	34.6	26.9	15.4	100.0	26
Other investment services	11.5	15.4	34.6	34.6	3.8	100.0	26
All funds							
Administration of accounts	28.1	21.9	12.5	26.6	10.9	100.0	64
Custody	62.0	19.7	5.6	4.2	8.5	100.0	71
Investment management	26.5	13.2	25.0	32.4	2.9	100.0	68
Other administration services	14.3	21.4	30.0	21.4	12.9	100.0	70
Other investment services	21.5	15.4	35.4	24.6	3.1	100.0	65

a Results are derived from survey question 57, which asks to what extent the fund's capacity to move wholesale functions in-house influences the competitive pressure of wholesale providers of those services. respondents are instructed that this question is only relevant where the fund outsources to a non-associate provider or provides the services in-house. Service categories are defined by SRS 331.0.

Source: Funds survey.

Table 2.22 Retirement income products offering longevity risk management[a]

By fund type

	Offered in 2012-13	*New products between 2013-14 and 2016-17*
Number of funds offering longevity risk management products		
Retail	2	10
Industry	3	6
Corporate	–	–
Public sector	–	3
Total	5	19
Number of products offered		
Retail	28	36
Industry	4	7
Corporate	–	–
Public sector	–	4
Total	32	47

[a] Results are derived from survey questions 58 and 59. Question 58 asks how many retirement income products with longevity risk management (such as an annuity or a group self-annuitisation product) in the year 2012-13. Question 59 asks the same question for the period between 2013-14 and 2016-17. – Nil or rounded to zero.

Source: Funds survey.

Regulation

Table 2.23 Key adverse effects of regulatory reporting[a]

Per cent, by fund type

	Proportion of funds			*Proportion of accounts*[b]		
Type	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*
Retail	46.7	51.7	1.7	33.1	57.9	9.1
Industry	75.8	24.2	–	44.3	55.7	–
Corporate	63.6	18.2	18.2	97	2.6	0.4
Public sector	42.9	57.1	–	35.3	64.7	–
Total	56.8	40.5	2.7	39.2	56.7	4.1

[a] Results are based on survey question 67, which asks funds to select the key adverse effect of different sources of regulatory burdens. 111 funds answered this question. [b] Accounts information is based on 2017 APRA data. – Nil or rounded to zero.

Source: Funds survey.

Table 2.24 Key adverse effects of disclosure to members[a]

Per cent, by fund type

	Proportion of funds			Proportion of accounts[b]		
Type	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*
Retail	46.7	51.7	1.7	33.1	57.9	9.1
Industry	75.8	24.2	–	44.3	55.7	–
Corporate	63.6	18.2	18.2	97.0	2.6	0.4
Public sector	42.9	57.1	–	35.3	64.7	-
Total	56.8	40.5	2.7	39.2	56.7	4.1

[a] Results are based on survey question 67, which asks funds to select the key adverse effect of different sources of regulatory burdens. 111 funds answered this question. [b] Accounts information is based on 2017 APRA data. – Nil or rounded to zero.

Source: Funds survey.

Table 2.25 Key adverse effect of tax treatment of particular products[a]

Per cent, by fund type

	Proportion of funds			Proportion of accounts[b]		
Type	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*
Retail	6.7	56.7	36.7	9.4	59.7	30.9
Industry	15.2	51.5	33.3	2.6	63.0	34.4
Corporate	18.2	45.5	36.4	27.4	20.0	52.6
Public sector	–	57.1	42.9	–	62.2	37.8
Total	9.9	54.1	36.0	5.8	60.9	33.3

[a] Results are based on survey question 67, which asks funds to select the key adverse effect of different sources of regulatory burdens. 111 funds answered this question. [b] Accounts information is based on 2017 APRA data. – Nil or rounded to zero.

Source: Funds survey.

Table 2.26 **Key adverse effect of regulatory uncertainty and frequent changes**[a]

Per cent, by fund type

	Proportion of funds			*Proportion of accounts*[b]		
Type	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*	*Higher fees*	*Impediments to produce or service innovation*	*Lower investment returns*
Retail	31.7	68.3	–	25.1	74.9	–
Industry	45.5	54.5	–	40.5	59.5	–
Corporate	45.5	45.5	–	54.6	45.4	–
Public sector	28.6	71.4	–	34.9	65.1	–
Total	36.9	62.2	–	33.3	66.7	–

a Results are based on survey question 67, which asks funds to select the key adverse effect of different sources of regulatory burdens. 111 funds answered this question. **b** Accounts information is based on 2017 APRA data. – Nil or rounded to zero.

Source: Funds survey.

Assets, net rates of return and investment management fees by asset class

Table 2.27 **Total assets, by asset class and fund type**[a,b]

2016-17

Asset class	*Retail* Assets ($m)	*Retail* No. of resp. funds	*Industry* Assets ($m)	*Industry* No. of resp. funds	*Corporate* Assets ($m)	*Corporate* No. of resp. funds	*Public sector* Assets ($m)	*Public sector* No. of resp. funds	*Total* Assets ($m)	*Total* No. of resp. funds
Cash	66 518	42	51 427	30	3 879	9	26 185	6	148 009	87
Fixed income (Australia)	61 400	41	31 811	26	8 696	9	21 315	6	123 222	82
Fixed income (International)	33 436	39	30 121	26	3 264	8	9 462	6	76 283	79
Equity (Australia)	120 706	41	118 551	30	9 067	9	25 535	6	273 859	86
Equity (International)	99 273	41	116 564	29	11 297	9	43 280	6	270 415	85
Property (Listed)	17 633	30	9 086	18	254	9	808	2	27 781	59
Property (Unlisted)	4 754	30	20 615	21	3 128	7	9 346	5	37 844	63
Property (Total)	25 945	37	42 886	27	3 463	8	10 053	5	82 346	77
Infrastructure (Listed)	5 415	28	9 374	15	307	6	39	2	15 134	51
Infrastructure (Unlisted)	1 452	26	17 126	19	980	5	11 813	5	31 371	55
Infrastructure (Total)	7 389	34	42 444	26	1 768	8	11 851	5	63 452	73
Private equity	6 757	22	15 734	18	865	5	7 312	6	30 669	51
Other	29 005	37	31 779	27	3 269	9	14 672	5	78 725	78
Total assets	452 985	42	496 065	30	45 731	9	169 661	6	1 164 442	87

a This table summarises asset values by asset class and fund type for the year 2016-17. Valid responses for a given asset class require an answer to the relevant cell survey question 70 (which provides information about asset values for that asset class). **b** The sum of listed and unlisted assets will not necessarily equal the value of total assets for property and infrastructure assets, as some funds have only provided the total (and not the listed and unlisted values) for these classes.

Source: Funds survey.

Table 2.28 **Investment returns by asset class, survey responses**[a,b]

Asset class	*Retail*[c]		*Industry*		*Corporate*		*Public sector*		*Total*	
	No. of resp. funds	*%*	*No. of resp. funds*	*%*	*No. of resp. funds*	*%*	*No. of resp. funds*	*%*	*No. of resp. funds*	*%*
Cash	13	27.1	26	54.2	4	8.3	5	10.4	48	100.0
Fixed income (Australia)	10	25.6	21	53.8	4	10.3	4	10.3	39	100.0
Fixed income (International)	11	30.6	19	52.8	2	5.6	4	11.1	36	100.0
Equity (Australia)	13	27.1	26	54.2	4	8.3	5	10.4	48	100.0
Equity (International)	12	27.9	23	53.5	4	9.3	4	9.3	43	100.0
Property (Listed)	7	41.2	8	47.1	1	5.9	1	5.9	17	100.0
Property (Unlisted)	5	20.8	15	62.5	1	4.2	3	12.5	24	100.0
Property (Total)	9	26.5	18	52.9	3	8.8	4	11.8	34	100.0
Infrastructure (Listed)	8	57.1	6	42.9	–	–	–	–	14	100.0
Infrastructure (Unlisted)	5	23.8	12	57.1	1	4.8	3	14.3	21	100.0
Infrastructure (Total)	8	25.0	15	46.9	4	12.5	5	15.6	32	100.0
Private equity	2	7.7	17	65.4	3	11.5	4	15.4	26	100.0
Other	5	17.9	17	60.7	3	10.7	3	10.7	28	100.0
Total assets	12	30.0	20	50.0	5	12.5	3	7.5	40	100.0
Total number of responding funds	*60*	*52.6*	*34*	*29.8*	*11*	*9.6*	*9*	*7.9*	*114*	*100.0*
Total number of APRA-regulated funds invited to participate in the survey	*126*	*60.6*	*41*	*19.7*	*23*	*11.1*	*18*	*8.7*	*208*	*100.0*

a This table summarises the number of valid responses to questions about net returns by asset class for the year 2016-17 only. Valid responses for a given asset class require both an answer to question 70 (which provides information about asset values for that asset class) and an answer to questions 71 (which information about rates of return, net of investment expenses). These questions requested data for the ten years up to and including 201617. The number of valid responses was typically lower than this for other years. **b** No funds provided all the investment returns by asset class data requested. **c** Includes eligible rollover funds. – Nil or rounded to zero.

Source: Funds survey.

Table 2.29 **Investment returns, by asset class**[a,b,c]

2016-17

Asset class	*Total assets ($m)*	*Net returns ($m)*	*Returns (% of assets)*	*Number of funds providing data for this asset class*
Cash	105 025	2 121	2.02	48
Fixed income (Australia)	59 691	209	0.35	39
Fixed income (International)	46 920	1 754	3.74	36
Equity (Australia)	188 632	26 009	13.79	48
Equity (International)	176 954	32 084	18.13	43
Property (Listed)	7 579	269	3.55	17
Property (Unlisted)	23 535	2 643	11.23	24
Property (Total)	46 507	4 463	9.6	34
Infrastructure (Listed)	4 420	565	12.78	14
Infrastructure (Unlisted)	24 028	3 492	14.53	21
Infrastructure (Total)	43 960	6 315	14.36	32
Private equity	25 157	3 107	12.35	26
Other	34 369	1 989	5.79	28
Total assets	451 212	44 860	9.94	40

a Asset values are taken from survey question 70, rather than APRA data. Net returns are derived from survey question 71, which relates to net investment returns as a percentage of total assets. Investment returns are for 2016-17 only. Survey questions 70 and 71 requested data for the ten years up to and including 2016-17. The number of valid responses was typically lower than this for other years, and the data is of variable quality. No funds provided all the investment returns by asset class data requested. **b** Values are calculated using all funds that provided data for total assets and net investment returns for a given asset class. **c** The sum of listed and unlisted assets and returns will not equal the value of total assets and returns for property and infrastructure assets, as some funds have only provided the total (and not the listed and unlisted values) for these classes.

Source: Funds survey.

Table 2.30 Investment management fees by asset class, survey responses[a,b]

Asset class	Retail[c]		Industry		Corporate		Public sector		Total	
	No. of resp. funds	*%*	*No. of resp. funds*	*%*	*No. of resp. funds*	*%*	*No. of resp. funds*	*%*	*No. of resp. funds*	*%*
Cash	5	27.8	9	50.0	1	5.6	3	16.7	18	100.0
Fixed income (Australia)	5	31.3	8	50.0	1	6.3	2	12.5	16	100.0
Fixed income (International)	4	28.6	7	50.0	1	7.1	2	14.3	14	100.0
Equity (Australia)	6	31.6	10	52.6	1	5.3	2	10.5	19	100.0
Equity (International)	5	31.3	8	50.0	1	6.3	2	12.5	16	100.0
Property (Listed)	1	11.1	5	55.6	2	22.2	1	11.1	9	100.0
Property (Unlisted)	2	16.7	6	50.0	2	16.7	2	16.7	12	100.0
Property (Total)	3	20.0	8	53.3	2	13.3	2	13.3	15	100.0
Infrastructure (Listed)	1	16.7	3	50.0	2	33.3	–	–	6	100.0
Infrastructure (Unlisted)	2	18.2	5	45.5	2	18.2	2	18.2	11	100.0
Infrastructure (Total)	4	25.0	8	50.0	2	12.5	2	12.5	16	100.0
Private equity	3	23.1	6	46.2	2	15.4	2	15.4	13	100.0
Other	4	25.0	9	56.3	2	12.5	1	6.3	16	100.0
Total assets	6	21.4	16	57.1	3	10.7	3	10.7	28	100.0
Total number of responding funds	*60*	*52.6*	*34*	*29.8*	*11*	*9.6*	*9*	*7.9*	*114*	*100.0*
Total number of APRA-registered funds invited to participate in the survey	*126*	*60.6*	*41*	*19.7*	*23*	*11.1*	*18*	*8.7*	*208*	*100.0*

[a] This table summarises the number of valid responses to questions about investment management costs for the year 2016-17. Valid responses for a given asset class require both an answer to question 70 (which provides information about asset values for that asset class) and an answer to at least one of questions 72, 73 and 74 (which relate to investment costs by asset class incurred with non-associate parties, associated parties and in-house, respectively). These questions requested data for the ten years up to and including 2016-17. The number of valid responses was typically lower than this for other years. [b] No funds provided investment management fees for all asset classes. [c] Includes ERFs. – Nil or rounded to zero.

Source: Funds survey.

Table 2.31 **Investment management fees by asset class**[a,b,c]
2016-17

Asset class	*Total assets ($m)*	*Fees ($m)*	*Fees (% of assets)*	*Number of funds providing data*
Cash	50 642	11	0.02	18
Fixed income (Australia)	31 058	118	0.38	16
Fixed income (International)	20 489	49	0.24	14
Equity (Australia)	96 616	375	0.39	19
Equity (International)	60 757	331	0.55	16
Property (Listed)	1 210	3	0.23	9
Property (Unlisted)	6 238	40	0.63	12
Property (Total)	27 305	174	0.64	15
Infrastructure (Listed)	245	2	0.67	6
Infrastructure (Unlisted)	5 103	26	0.50	11
Infrastructure (Total)	21 709	200	0.92	16
Private equity	6 845	56	0.82	13
Other	12 427	201	1.62	16
Total assets	581 988	7 389	1.27	28

a Asset values are taken from survey question 70, rather than APRA data. Fees are derived from survey questions 72, 73 and 74, which relate to investment costs by asset class incurred with non-associate parties, associated parties and in-house, respectively. **b** Values are calculated using all funds that provided data for total assets, and any type of investment costs, for a given asset class. **c** The sum of listed and unlisted assets and returns will not equal the value of total assets and returns for property and infrastructure assets, as some funds have only provided the total (and not the listed and unlisted values) for these classes.

Source: Funds survey.