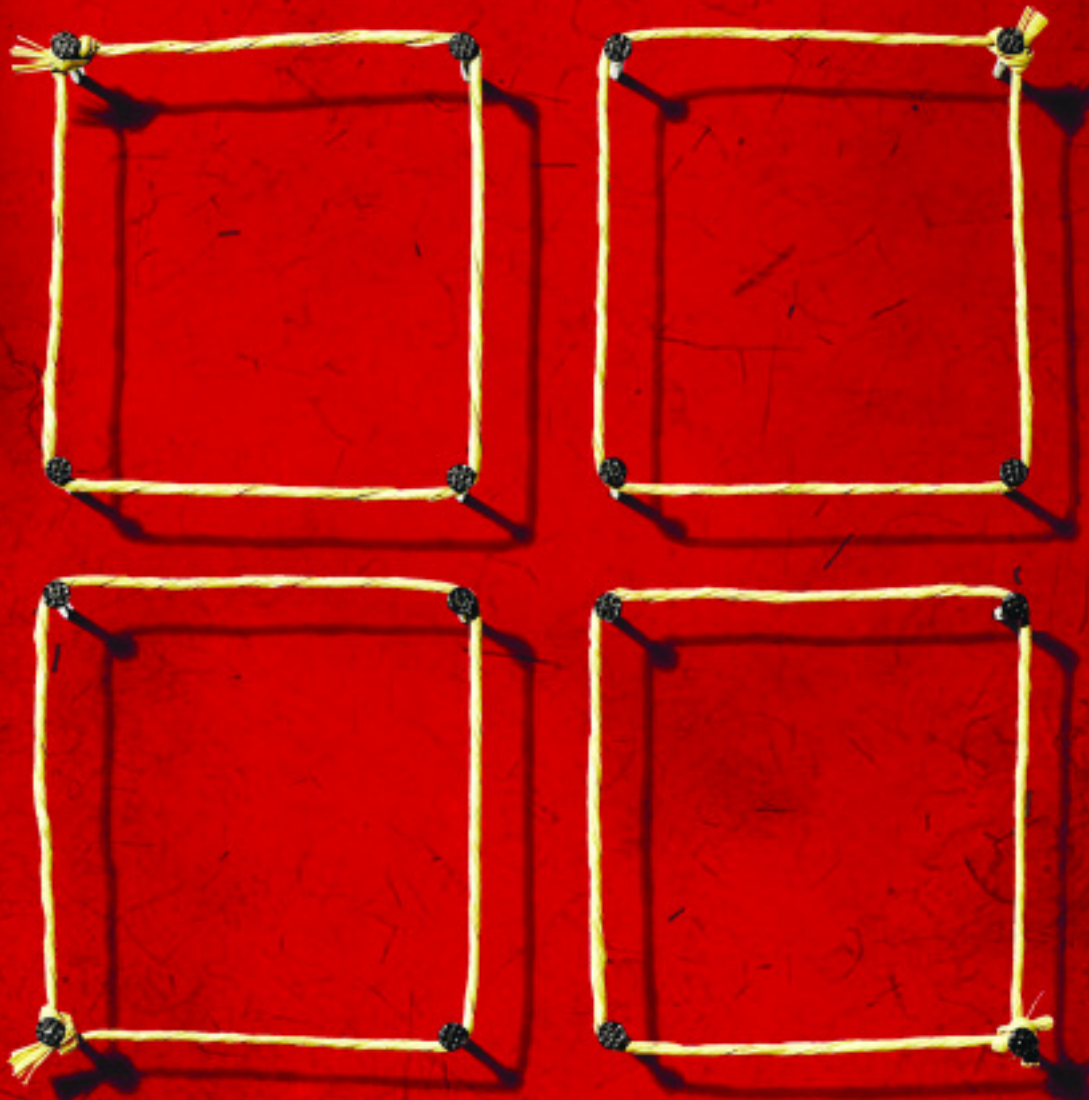




Statistics

Quarterly Superannuation Performance

September 2007 (issued 27 December 2007)



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Forthcoming issues

This publication will be released according to the timetable published on the APRA web site.

Revisions

Updated results for the June 2007 quarter have been included in this publication.

Rounding

Details on tables may not add up to totals due to rounding of figures.

Notation

Except where indicated, amounts are expressed in millions of Australian dollars. Both the Australian dollar denominated transactions and the Australian dollar equivalent of foreign-currency denominated transactions are included.

The symbol '*' indicates that the data have been masked to maintain confidentiality.

Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data.

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Important notice

Users should be aware of particular limitations with certain information in this publication.

Comparison with APRA's *Superannuation Trends*

This publication is not directly comparable to APRA's previous publication, *Superannuation Trends*, due to:

- the introduction of a new reporting framework for superannuation entities that took effect on 1 July 2003; and
- changes to the functional classification of some superannuation entities. Details of the changes can be found in the *Classification of superannuation entities* document available from APRA's web site at: www.apra.gov.au/Statistics/Superannuation-Institutions-Statistics.cfm

Information on expenses

Information on expenses is generally understated in this publication and should be used for indicative purposes only. The understatement of expenses is mainly due to:

- the requirement for entities to only report information on indirect investment expenses (including expenses associated with investments in life insurance companies and pooled superannuation trusts) where this information was readily available; and
- the collections not adequately capturing some expenses, such as front-end and ongoing commissions. This will be considered in the next review of APRA collections.

The breakdown of expenses, both investment and operating expenses, was reported inconsistently by superannuation entities.

The need for additional clarification is typical in a new statistical collection, and in the case of the superannuation industry it has become apparent that APRA will need to refine its collections on direct and indirect expenses. In the interim, expense ratios have been removed from this publication and are expected to be removed from future publications until the expense data reaches sufficiently robust quality levels.

The return on assets figures shown in Table 3 do not depend upon the expense data, and are correct within reasonable bounds of statistical accuracy.

Information on tax

Superannuation entities have different approaches in recognising future tax liabilities and assets. This information should be used for indicative purposes only.

Highlights

Industry overview

Total estimated superannuation assets increased by 3.4 per cent in the September 2007 quarter to \$1.2 trillion. This is a 24.4 per cent increase over the 12 months to September 2007.

Industry funds' assets increased by 3.6 per cent, corporate funds' assets by 3.2 per cent, retail funds' by 2.3 per cent and public sector funds' by 2.1 per cent during the September 2007 quarter.

At 30 June 2007, retail funds held the largest proportion of superannuation assets, accounting for 32.0 per cent of total assets, followed by self-managed superannuation funds with 25.2 per cent of total assets. Industry funds accounted for 17.3 per cent of total assets, public sector funds 15.3 per cent and corporate funds 6.2 per cent. Small APRA funds held 0.3 per cent of total assets.

Entities with at least \$50 million in assets

The analysis and comments below are based on superannuation entities with at least \$50 million in assets as at 30 June 2007. These entities are required to lodge quarterly returns to APRA.

Contributions, rollovers and benefit payments

There was \$19.2 billion of contributions in the September 2007 quarter, comprising \$8.6 billion to retail funds, \$5.1 billion to industry funds, \$4.7 billion to public sector funds and \$872 million to corporate funds.

During the quarter, 63.3 per cent (\$12.2 billion) of contributions was from employers, while member contributions accounted for 35.3 per cent (\$6.8 billion) of total contributions. Other contributions, which include spouse contributions and government co-contributions, accounted for 1.4 per cent (\$266 million) of total contributions.

Retail funds received \$1.9 billion of net rollovers and industry funds received \$180 million, while public sector and corporate funds recorded negative net rollovers of \$235 million and \$617 million respectively.

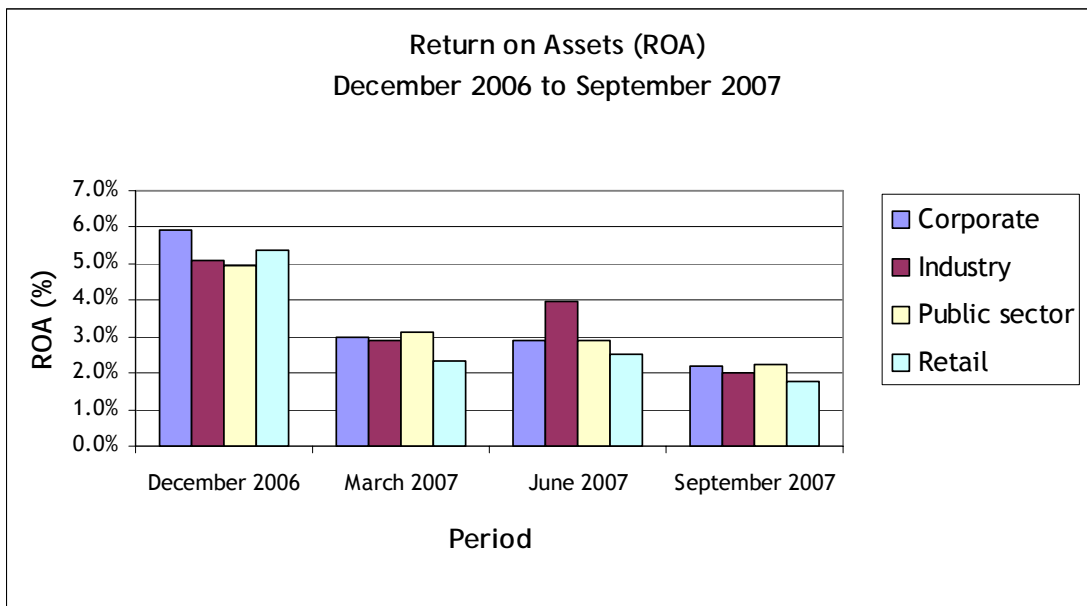
Total benefit payments during the quarter was \$13.9 billion.

Net contributions (contributions plus net rollovers less benefit payments) totalled \$6.6 billion in the September 2007 quarter.

Financial performance and assets

The return on assets for the September 2007 quarter was 2.0 per cent. Public sector funds generated a return on assets of 2.3 per cent, corporate funds 2.2 per cent, industry funds 2.0 per cent and retail funds 1.8 per cent.

The graph below shows the return on assets for each quarter from December 2006 to September 2007.



At the end of the September 2007 quarter, 31.2 per cent of superannuation assets was invested in wholesale trusts, 21.2 per cent was invested in life office funds and 20.9 per cent was held in individually managed mandates. Of the remaining assets, 8.6 per cent was held in pooled superannuation trusts, 6.8 per cent was held in unlisted public offer unit trusts, 5.4 per cent was in other investments, which includes funds placed with overseas investment managers and leased assets, and 5.3 per cent was directly invested. Less than 0.6 per cent of assets was held in receivables and deferred tax assets.

Corporate and industry funds held the largest proportion of their assets in wholesale trusts, whilst public sector and retail funds held the majority of their assets in individually managed mandates and life office funds respectively.

Superannuation industry quarterly estimates

	Assets (\$ billion)					Number of entities				
	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
<i>By fund type</i>										
Corporate	53.9	67.7	69.4	71.7	74.0	477	386	335	290	271
Industry	157.9	172.1	182.7	197.8	204.9	79	75	75	75	74
Public sector	158.9	157.8	165.8	177.7	181.4	46	42	41	39	39
Retail	310.8	331.5	344.2	371.4	379.9	190	177	173	171	176
Sub total	681.4	729.1	762.1	818.6	840.2	792	680	624	575	560
Pooled superannuation trusts ^a	67.4	69.3	73.4	80.8	86.6	118	107	104	101	101
Small APRA funds	3.2	3.3	3.3	3.3	3.3	6,620	6,331	6,182	6,017	5,916
Single-member ADFs	0.1	0.1	0.1	0.2	0.2	169	156	153	150	147
Self-managed super funds ^b	227.6	246.0	261.5	284.1	299.7	323,604	329,786	338,943	360,743	368,046
Balance of life office statutory funds ^c	41.8	43.4	43.0	42.0	43.6					
Total	954.1	1021.9	1070.0	1148.2	1186.9	331,303	337,060	346,006	367,586	374,770
Retirement savings accounts	0.9	0.9	0.9	1.2	1.1	8	8	8	8	8

Asset figures for September 2007, June 2007, March 2007, December 2006 and September 2006 are estimated by applying June 2006 coverage ratios and growth rates. Growth rates for 2005-2006 have been applied to APRA-regulated small funds. Estimated data on self-managed superannuation funds are provided by the Australian Taxation Office (ATO). The coverage ratios and growth rates for 2005-2006 are detailed below.

The number of superannuation entities is accurate as at the end of the reporting period. These data include registered registrable superannuation entities (RSEs) and unregistered RSEs. These unregistered RSEs are currently in the process of winding up or transferring trusteeship to a RSE Licensee.

^a Pooled superannuation trusts are not included in total assets as their assets are captured in other superannuation categories.

^b Data on self-managed superannuation funds, for all quarters since September 2006, have been revised due to updated data provided by the Australian Taxation Office (ATO).

^c The balance of life office funds are estimated as the difference between superannuation entities reported investment in life office funds and life offices' reported holdings of superannuation business. It includes annuities and assets backing non-policyholder liabilities.

Coverage ratios used to estimate total assets

Entities with greater than four members

	Jun 2006			Sep 2007	
	> \$50 million (actual)	All entities (actual)	Coverage ratio	> \$50 million (actual)	All entities (estimated)
<i>By fund type (\$b)</i>					
Corporate	49.1	52.4	93.6%	69.3	74.0
Industry	150.1	150.5	99.8%	204.4	204.9
Public sector	151.8	152.0	99.9%	181.2	181.4
Retail	296.3	298.4	99.3%	377.2	379.9
Pooled superannuation trusts	57.5	58.9	97.6%	84.5	86.6

Growth rates 2005-2006

Other entities

	Jun 2006 (actual)	Jun 2005 (actual)	Growth	Sep 2007 (estimated)
	<i>By fund type (\$b)</i>			
Small APRA funds	3.2	3.1	2.3%	3.3
Single-member ADFs	0.1	0.1	33.5%	0.2

Table 1 Financial performance by fund type

Entities with at least \$50 million in assets
September 2007
(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Total assets at the beginning of the quarter	67,139	197,335	177,497	368,777	810,747
Contributions					
Employer	710	4,174	3,649	3,620	12,153
Member	157	816	975	4,842	6,790
Other	5	94	30	138	266
Total contributions	872	5,083	4,655	8,600	19,210
Contribution tax and surcharge	113	620	199	733	1,664
Rollovers					
Inward	375	2,514	1,093	21,801	25,783
Outward	992	2,334	1,328	19,861	24,515
Net rollovers	-617	180	-235	1,940	1,268
Benefit payments					
Lump sums	336	1,416	1,639	6,554	9,945
Pensions	103	215	2,191	1,472	3,981
Total benefit payments	439	1,631	3,829	8,026	13,925
Net contribution flows	-184	3,632	590	2,514	6,552
Death and disability insurance					
Total proceeds on insurance policies	12	87	4	132	235
Cost of member benefit insurance	41	231	19	342	634
Investment Income					
Investment income after doubtful debts	1,396	4,086	2,446	4,598	12,526
Total capital gains/losses on investments	225	643	1,487	3,104	5,459
Total investment income	1,621	4,729	3,933	7,702	17,985
Investment expenses ^a					
Investment management fees	33	115	81	61	291
Custodian fees	4	8	7	41	61
Property maintenance costs	3	6	3	0	12
Other investment expenses	3	79	4	0	87
Total investment expenses	43	208	96	102	450
Net investment income	1,578	4,521	3,837	7,600	17,535
Operating expenses					
Management fees (non-investment)	4	12	1	164	190
Administration fees	21	106	73	241	434
Directors/trustees fees and expenses	1	16	2	102	120
Other operating expenses	9	50	8	129	194
Total operating expenses	34	184	84	635	939
Other income	3	12	10	19	44
Net earnings	1,546	4,349	3,763	6,984	16,640
Tax expense on earnings	53	291	-283	377	439
Net earnings after tax	1,493	4,058	4,046	6,606	16,202
Net operating performance after tax	1,168	6,926	4,422	8,177	20,692
Other changes	966	176	-753	248	638
Net growth	2,134	7,102	3,669	8,425	21,330
Total assets at the end of the quarter	69,273	204,437	181,166	377,201	832,077
Number of entities	95	66	38	117	316

Contributions and benefit payments for public sector superannuation funds include funded and unfunded amounts from the State and Commonwealth Government.

^a Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

Table 2 Financial position by fund type

Entities with at least \$50 million in assets
September 2007
(\$ million)

	Corporate	Industry	Public sector	Retail	Total
Assets					
Receivables	741	2,018	915	1,002	4,676
Investments					
Direct	4,358	16,491	5,636	17,285	43,769
Individually managed mandates	17,934	59,610	88,270	8,171	173,985
Pooled super trusts	8,111	6,231	23,360	34,059	71,761
Wholesale trusts	24,286	85,189	51,268	99,090	259,833
Life office funds	4,906	2,536	1,105	167,791	176,338
Unlisted public offer unit trusts	327	5,344	2,265	48,908	56,845
Other investments	8,601	26,985	8,343	861	44,789
Deferred tax assets	10	31	3	36	81
Total assets	69,273	204,437	181,166	377,201	832,077
Liabilities					
Direct holdings of derivative financial instruments	*	*	*	2	2,708
Borrowings	*	*	*	0	6
Current tax liabilities	*	*	*	1,821	4,354
Deferred tax liabilities	699	2,809	1,158	937	5,602
Payables and creditors	1,114	2,132	1,876	698	5,820
Total liabilities	2,575	8,673	3,785	3,458	18,490
Net assets to pay benefits	66,698	195,764	177,381	373,744	813,587
<i>Of which:</i>					
Liability for allocated accrued benefits	66,623	192,253	177,173	373,320	809,369
Reserves (unallocated benefits)	75	3,511	208	424	4,218
Excess/deficiency of assets	0	0	0	0	0
Number of entities	95	66	38	117	316

Excess/deficiency of assets for defined benefit funds will only be reported where the entity has had an actuarial review as at the end of the reporting period and the actuary's report is available by the reporting due date.

Table 3 Entity ratios by fund type

Entities with at least \$50 million in assets

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Total					
Net investment income (\$m)	17,689	39,209	21,153	26,020	17,535
Other income (\$m)	40	28	22	58	44
Total operating expense (\$m)	789	884	881	1,057	937
Tax expense on earnings (\$m)	903	1,590	357	1,569	439
Net earnings after tax (\$m)	16,036	36,762	19,937	23,452	16,203
Average assets (\$m)	661,283	698,539	738,203	782,654	821,412
Return on assets (%) ^a	2.4%	5.3%	2.7%	3.0%	2.0%
Number of entities	316	314	311	308	316
Corporate					
Net investment income (\$m)	828	3,568	1,991	2,291	1,578
Other income (\$m)	7	2	3	5	3
Total operating expense (\$m)	18	39	36	45	34
Tax expense on earnings (\$m)	14	165	52	328	53
Net earnings after tax (\$m)	803	3,366	1,906	1,923	1,493
Average assets (\$m)	49,765	56,917	64,191	66,062	68,206
Return on assets (%) ^a	1.6%	5.9%	3.0%	2.9%	2.2%
Number of entities	91	91	90	87	95
Industry					
Net investment income (\$m)	4,116	9,240	5,598	8,238	4,521
Other income (\$m)	6	10	6	11	12
Total operating expense (\$m)	155	179	163	235	184
Tax expense on earnings (\$m)	354	663	346	484	291
Net earnings after tax (\$m)	3,614	8,408	5,094	7,530	4,058
Average assets (\$m)	153,840	164,636	177,009	189,821	200,886
Return on assets (%) ^a	2.3%	5.1%	2.9%	4.0%	2.0%
Number of entities	67	67	67	66	66

Expenses incurred by employer sponsors that are not passed to members have not been reported.

Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

^a The return on assets should not be used to infer quarterly crediting rates.

Table 3 Entity ratios by fund type

Entities with at least \$50 million in assets

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Public Sector					
Net investment income (\$m)	4,309	8,218	4,893	5,755	3,837
Other income (\$m)	4	6	5	2	10
Total operating expense (\$m)	84	86	77	64	84
Tax expense on earnings (\$m)	338	279	-235	692	-283
Net earnings after tax (\$m)	3,891	7,859	5,056	5,001	4,046
Average assets (\$m)	155,251	158,156	161,595	171,532	179,331
Return on assets (%) ^a	2.5%	5.0%	3.1%	2.9%	2.3%
Number of entities	39	37	37	38	38
Retail					
Net investment income (\$m)	8,436	18,183	8,671	9,735	7,600
Other income (\$m)	23	9	9	39	19
Total operating expense (\$m)	533	580	605	712	635
Tax expense on earnings (\$m)	197	483	194	65	377
Net earnings after tax (\$m)	7,728	17,129	7,881	8,997	6,606
Average assets (\$m)	302,428	318,830	335,407	355,240	372,989
Return on assets (%) ^a	2.6%	5.4%	2.3%	2.5%	1.8%
Number of entities	119	119	117	117	117

Expenses incurred by employer sponsors that are not passed to members have not been reported.

Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

^aThe return on assets should not be used to infer quarterly crediting rates.

Table 4a Corporate funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Sep 2006	Dec 2006 ^a	Mar 2007	Jun 2007	Sep 2007
Total assets at the beginning of the quarter	49,093	50,436	63,399	64,984	67,139
Contributions					
Employer	378	763	686	824	710
Member	63	136	166	419	157
Other	4	17	7	36	5
Total contributions	445	915	860	1,280	872
Contribution tax and surcharge	72	116	131	129	113
Rollovers					
Inward	176	252	316	541	375
Outward	603	1,163	1,282	1,333	992
Net rollovers	-427	-911	-966	-792	-617
Benefit payments					
Lump sums	138	198	217	269	336
Pensions	54	86	84	87	103
Total benefit payments	193	284	301	356	439
Net contribution flows	-174	-280	-407	132	-184
Death and disability insurance					
Total proceeds on insurance policies	8	18	12	17	12
Cost of member benefit insurance	34	14	19	20	41
Investment Income					
Investment income after doubtful debts	410	599	719	1,379	1,396
Total capital gains/losses on investments	439	3,010	1,314	967	225
Total investment income	849	3,609	2,033	2,346	1,621
Investment expenses ^d					
Investment management fees	14	30	32	42	33
Custodian fees	3	4	5	5	4
Property maintenance costs	4	5	3	5	3
Other investment expenses	1	2	2	3	3
Total investment expenses	21	41	42	55	43
Net investment income	828	3,568	1,991	2,291	1,578
Operating expenses					
Management fees (non-investment)	5	5	4	10	4
Administration fees	7	19	18	27	21
Directors/trustees fees and expenses	1	1	1	1	1
Other operating expenses	5	14	13	7	9
Total operating expenses	18	39	36	45	34
Other income	7	2	3	5	3
Net earnings	817	3,531	1,957	2,252	1,546
Tax expense on earnings	14	165	52	328	53
Net earnings after tax	803	3,366	1,906	1,923	1,493
Net operating performance after tax	531	2,974	1,361	1,923	1,168
Other changes	811	9,988	225	231	966
Net growth	1,342	12,963	1,586	2,154	2,134
Total assets at the end of the quarter	50,436	63,399	64,984	67,139	69,273
Number of entities	91	91	90	87	95

^a A public sector fund restructured to become a corporate fund during the December 2006 quarter.

^d Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

Table 4b Industry funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Total assets at the beginning of the quarter	150,118	157,561	171,711	182,307	197,335
Contributions					
Employer	3,655	3,790	4,214	5,179	4,174
Member	483	823	850	3,514	816
Other	28	118	76	302	94
Total contributions	4,166	4,731	5,140	8,996	5,083
Contribution tax and surcharge	608	575	650	731	620
Rollovers					
Inward	1,991	2,104	1,762	2,405	2,514
Outward	1,221	1,234	1,170	1,915	2,334
Net rollovers	770	870	593	491	180
Benefit payments					
Lump sums	733	719	757	822	1,416
Pensions	111	111	113	133	215
Total benefit payments	843	829	871	955	1,631
Net contribution flows	4,094	4,772	4,862	8,532	3,632
Death and disability insurance					
Total proceeds on insurance policies	79	81	84	111	87
Cost of member benefit insurance	178	176	177	185	231
Investment Income					
Investment income after doubtful debts	2,494	1,378	2,584	3,343	4,086
Total capital gains/losses on investments	1,715	7,971	3,141	5,096	643
Total investment income	4,210	9,350	5,726	8,440	4,729
Investment expenses ^a					
Investment management fees	68	81	95	158	115
Custodian fees	7	9	9	17	8
Property maintenance costs	2	6	6	4	6
Other investment expenses	16	14	17	22	79
Total investment expenses	93	110	128	201	208
Net investment income	4,116	9,240	5,598	8,238	4,521
Operating expenses					
Management fees (non-investment)	6	9	7	24	12
Administration fees	89	103	106	127	106
Directors/trustees fees and expenses	9	12	10	11	16
Other operating expenses	50	56	41	74	50
Total operating expenses	155	179	163	235	184
Other income	6	10	6	11	12
Net earnings	3,968	9,071	5,440	8,014	4,349
Tax expense on earnings	354	663	346	484	291
Net earnings after tax	3,614	8,408	5,094	7,530	4,058
Net operating performance after tax	7,001	12,510	9,214	15,256	6,926
Other changes	443	1,639	1,382	-229	176
Net growth	7,444	14,150	10,596	15,028	7,102
Total assets at the end of the quarter	157,561	171,711	182,307	197,335	204,437
Number of entities	67	67	67	66	66

^a Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

Table 4c Public sector funds - financial performance

 Entities with at least \$50 million in assets
 (\$ million)

	Sep 2006	Dec 2006 ^a	Mar 2007	Jun 2007	Sep 2007
Total assets at the beginning of the quarter	151,814	158,687	157,624	165,566	177,497
Contributions					
Employer	4,334	3,096	4,812	6,710	3,649
Member	790	891	948	1,515	975
Other	20	187	38	179	30
Total contributions	5,143	4,173	5,798	8,404	4,655
Contribution tax and surcharge ^v	186	167	204	283	199
Rollovers					
Inward	695	667	749	669	1,093
Outward	921	912	1,026	898	1,328
Net rollovers	-226	-245	-277	-229	-235
Benefit payments					
Lump sums	1,061	815	973	889	1,639
Pensions	2,036	2,077	1,935	1,839	2,191
Total benefit payments	3,096	2,891	2,908	2,729	3,829
Net contribution flows	1,821	1,037	2,614	5,446	590
Death and disability insurance					
Total proceeds on insurance policies	3	4	4	5	4
Cost of member benefit insurance	22	18	19	19	19
Investment Income					
Investment income after doubtful debts	2,223	1,722	1,819	3,324	2,446
Total capital gains/losses on investments	2,151	6,594	3,160	2,540	1,487
Total investment income	4,374	8,317	4,979	5,864	3,933
Investment expenses ^c					
Investment management fees	52	86	75	101	81
Custodian fees	8	7	7	6	7
Property maintenance costs	2	2	2	1	3
Other investment expenses	4	3	1	2	4
Total investment expenses	66	98	85	109	96
Net investment income	4,309	8,218	4,893	5,755	3,837
Operating expenses					
Management fees (non-investment)	1	1	0	1	1
Administration fees	74	75	69	59	73
Directors/trustees fees and expenses	1	1	1	1	2
Other operating expenses	8	8	7	3	8
Total operating expenses	84	86	77	64	84
Other income	4	6	5	2	10
Net earnings	4,228	8,139	4,821	5,693	3,763
Tax expense on earnings	338	279	-235	692	-283
Net earnings after tax	3,891	7,859	5,056	5,001	4,046
Net operating performance after tax	5,507	8,715	7,452	10,150	4,422
Other changes	1,366	-9,779	491	1,780	-753
Net growth	6,873	-1,063	7,943	11,930	3,669
Total assets at the end of the quarter	158,687	157,624	165,566	177,497	181,166
Number of entities	39	37	37	38	38

Contributions and benefit payments for public sector superannuation funds include funded and unfunded amounts from the State and Commonwealth Government.

^a A public sector fund restructured to become a corporate fund during the December 2006 quarter.

^v Public sector schemes are not liable for contributions tax on some contributions.

^c Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

Table 4d Retail funds - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Total assets at the beginning of the quarter	296,308	308,548	329,111	341,703	368,777
Contributions					
Employer	3,201	3,641	3,541	6,102	3,620
Member	3,632	4,084	4,802	15,285	4,842
Other	81	89	131	261	138
Total contributions	7,269	8,175	8,856	21,647	8,600
Contribution tax and surcharge	744	598	560	1,037	733
Rollovers					
Inward	10,259	10,285	9,427	18,052	21,801
Outward	7,515	8,810	7,457	16,201	19,861
Net rollovers	3,257	1,942	2,434	1,851	1,940
Benefit payments					
Lump sums	5,514	4,942	5,194	3,572	6,554
Pensions	1,122	1,262	1,047	1,364	1,472
Total benefit payments	6,624	6,198	6,240	4,936	8,026
Net contribution flows	3,901	3,920	5,049	18,563	2,514
Death and disability insurance					
Total proceeds on insurance policies	102	113	117	146	132
Cost of member benefit insurance	305	284	260	337	342
Investment Income					
Investment income after doubtful debts	2,372	1,805	2,315	7,173	4,598
Total capital gains/losses on investments	5,999	15,999	6,333	2,649	3,104
Total investment income	8,506	18,252	8,743	9,822	7,702
Investment expenses ^a					
Investment management fees	50	49	51	55	61
Custodian fees	27	29	31	31	41
Property maintenance costs	0	0	0	0	0
Other investment expenses	2	1	0	1	0
Total investment expenses	70	69	72	86	102
Net investment income	8,436	18,183	8,671	9,735	7,600
Operating expenses					
Management fees (non-investment)	122	126	124	153	164
Administration fees	263	276	286	346	241
Directors/trustees fees and expenses	81	93	101	73	102
Other operating expenses	68	85	90	141	129
Total operating expenses	533	580	605	712	635
Other income	23	9	9	39	19
Net earnings	7,925	17,612	8,075	9,062	6,984
Tax expense on earnings	197	483	194	65	377
Net earnings after tax	7,758	17,160	7,911	8,997	6,606
Net operating performance after tax	10,719	20,313	12,265	26,332	8,177
Other changes	1,521	251	327	741	248
Net growth	12,240	20,563	12,592	27,074	8,425
Total assets at the end of the quarter	308,548	329,111	341,703	368,777	377,201
Number of entities	119	119	117	117	117

^a Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

Table 4e Pooled superannuation trusts - financial performance

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Total assets at the beginning of the quarter	57,492	65,764	67,613	71,701	78,896
Units issued to unit holders	8,288	4,136	2,235	5,866	1,966
Payments to unit holders	2,117	6,501	1,599	1,984	2,376
Investment Income					
Investment income after doubtful debts	852	495	756	3,150	861
Total capital gains/losses on investments	944	3,248	1,405	20	766
Total investment income	1,796	3,743	2,161	3,169	1,626
Investment expenses ^a					
Investment management fees	63	37	50	57	60
Custodian fees	3	0	2	2	2
Property maintenance costs	0	0	0	0	0
Other investment expenses	0	1	1	1	0
Total investment expenses	66	38	53	60	62
Net investment income	1,730	3,706	2,108	3,109	1,564
Operating expenses					
Management fees (non-investment)	5	4	5	9	9
Administration fees	29	29	30	38	34
Directors/trustees fees and expenses	2	2	2	2	4
Other operating expenses	6	4	5	2	3
Total operating expenses	42	39	42	50	49
Other income	3	0	2	5	4
Net earnings	1,692	3,667	2,068	3,064	1,519
Tax expense on earnings	87	266	70	327	93
Net earnings after tax	1,605	3,400	1,997	2,737	1,426
Net operating performance after tax	7,775	1,035	2,633	6,619	1,016
Other changes	497	814	1,454	576	4,629
Net growth	8,272	1,850	4,087	7,195	5,645
Total assets at the end of the quarter	65,764	67,613	71,701	78,896	84,541
Number of entities	65	65	63	62	57

^a Some indirect expenses have not been reported. Refer to the important notice at the beginning of the publication.

Table 5a Corporate funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006	Dec 2006 ^a	Mar 2007	Jun 2007	Sep 2007
Assets					
Receivables	265	242	492	1,245	741
Investments					
Direct	2,898	3,700	3,840	4,015	4,358
Individually managed mandates	12,317	17,390	17,905	17,687	17,934
Pooled super trusts	5,607	5,896	5,960	7,999	8,111
Wholesale trusts	19,690	23,067	23,302	22,688	24,286
Life office funds	4,084	4,258	4,366	4,647	4,906
Unlisted public offer unit trusts	851	939	1,071	320	327
Other investments	4,717	7,901	8,043	8,526	8,601
Deferred tax assets	7	5	5	11	10
Total assets	50,436	63,399	64,984	67,139	69,273
	50436	63399	64984	67139	
Liabilities					
Direct holdings of derivative financial instruments	0	4	0	2	*
Borrowings	0	0	0	0	*
Current tax liabilities	271	172	227	480	*
Deferred tax liabilities	456	707	704	729	699
Payables and creditors	497	793	970	1,057	1,114
Total liabilities	1,223	1,676	1,900	2,267	2,575
Net assets to pay benefits	49,212	61,723	63,084	64,846	66,698
<i>Of which:</i>					
Liability for allocated accrued benefits	49,140	61,635	62,987	64,674	66,623
Reserves (unallocated benefits)	72	88	97	*	75
Excess/deficiency of assets	0	0	0	*	0
Number of entities	91	91	90	87	95

Excess/deficiency of assets for defined benefit funds will only be reported where the entity has had an actuarial review as at the end of the reporting period and the actuary's report is available by the reporting due date.

^a A public sector fund restructured to become a corporate fund during the December 2006 quarter.

Table 5b Industry funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Assets					
Receivables	1,667	1,463	2,335	2,809	2,018
Investments					
Direct	12,771	15,401	15,938	15,756	16,491
Individually managed mandates	43,801	48,101	49,715	57,001	59,610
Pooled super trusts	4,284	4,903	5,497	5,769	6,231
Wholesale trusts	62,873	66,980	71,693	82,384	85,189
Life office funds	1,019	872	1,082	2,110	2,536
Unlisted public offer unit trusts	7,464	8,106	8,727	5,290	5,344
Other investments	23,650	25,835	27,296	26,873	26,985
Deferred tax assets	33	50	24	31	31
Total assets	157,561	171,711	182,307	197,335	204,437
Liabilities					
Direct holdings of derivative financial instruments	*	*	*	*	*
Borrowings	*	*	*	*	*
Current tax liabilities	*	*	*	*	*
Deferred tax liabilities	2,087	2,628	2,847	2,887	2,809
Payables and creditors	1,380	816	1,795	3,361	2,132
Total liabilities	5,548	7,191	8,573	8,524	8,673
Net assets to pay benefits	152,013	164,521	173,734	188,838	195,764
<i>Of which:</i>					
Liability for allocated accrued benefits	149,131	159,191	165,263	187,277	192,253
Reserves (unallocated benefits)	2,882	5,330	8,471	1,552	3,511
Excess/deficiency of assets	0	0	0	0	0
Number of entities	67	67	67	66	66

Excess/deficiency of assets for defined benefit funds will only be reported where the entity has had an actuarial review as at the end of the reporting period and the actuary's report is available by the reporting due date.

Table 5c Public sector funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006	Dec 2006 ^a	Mar 2007	Jun 2007	Sep 2007
Assets					
Receivables	1,134	593	1,204	2,081	915
Investments					
Direct	4,964	4,798	4,820	5,380	5,636
Individually managed mandates	74,069	78,928	81,806	86,318	88,270
Pooled super trusts	16,439	17,461	21,723	22,877	23,360
Wholesale trusts	46,303	43,731	45,191	48,719	51,268
Life office funds	986	1,032	1,072	1,074	1,105
Unlisted public offer unit trusts	1,238	1,133	1,122	1,874	2,265
Other investments	13,549	9,943	8,624	9,136	8,343
Deferred tax assets	6	5	3	38	3
Total assets	158,687	157,624	165,566	177,497	181,166
Liabilities					
Direct holdings of derivative financial instruments	*	*	*	*	*
Borrowings	*	*	*	*	*
Current tax liabilities	*	*	*	*	*
Deferred tax liabilities	1,187	1,243	1,254	1,554	1,158
Payables and creditors	1,517	1,385	2,085	2,180	1,876
Total liabilities	3,530	3,287	3,778	4,536	3,785
Net assets to pay benefits	155,157	154,336	161,788	172,944	177,381
<i>Of which:</i>					
Liability for allocated accrued benefits	155,017	154,250	161,641	172,776	177,173
Reserves (unallocated benefits)	140	87	148	168	208
Excess/deficiency of assets	0	0	0	0	0
Number of entities	39	37	37	38	38

Excess/deficiency of assets for defined benefit funds will only be reported where the entity has had an actuarial review as at the end of the reporting period and the actuary's report is available by the reporting due date.

^a A public sector fund restructured to become a corporate fund during the December 2006 quarter.

Table 5d Retail funds - financial position

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Assets					
Receivables	547	1,339	1,151	5,781	1,002
Investments					
Direct	11,918	12,420	13,170	17,657	17,285
Individually managed mandates	6,579	7,030	7,257	7,360	8,171
Pooled super trusts	29,769	29,532	30,625	33,311	34,059
Wholesale trusts	77,739	86,631	90,453	92,161	99,090
Life office funds	148,085	155,506	159,918	166,219	167,791
Unlisted public offer unit trusts	33,193	35,928	38,396	45,357	48,908
Other investments	643	655	657	895	861
Deferred tax assets	75	71	77	38	36
Total assets	308,548	329,111	341,703	368,777	377,201
Liabilities					
Direct holdings of derivative financial instruments	1	1	1	0	2
Borrowings	0	0	0	0	0
Current tax liabilities	1,157	1,042	1,237	1,741	1,821
Deferred tax liabilities	758	1,019	1,071	988	937
Payables and creditors	505	609	697	822	698
Total liabilities	2,421	2,671	3,006	3,550	3,458
Net assets to pay benefits	306,127	326,440	338,697	365,191	373,744
<i>Of which:</i>					
Liability for allocated accrued benefits	304,810	325,600	337,668	364,055	373,320
Reserves (unallocated benefits)	1,317	840	1,029	*	424
Excess/deficiency of assets	0	0	0	*	0
Number of entities	119	118	117	117	117

Excess/deficiency of assets for defined benefit funds will only be reported where the entity has had an actuarial review as at the end of the reporting period and the actuary's report is available by the reporting due date.

Table 5e Pooled superannuation trusts - financial position

Entities with at least \$50 million in assets
(\$ million)

	Sep 2006 ^a	Dec 2006	Mar 2007	Jun 2007	Sep 2007
Assets					
Receivables	317	386	514	2,409	435
Investments					
Direct	14,639	12,537	14,887	17,758	18,943
Individually managed mandates	*	*	*	*	*
Pooled super trusts	*	*	*	*	*
Wholesale trusts	16,778	17,016	17,186	17,038	19,359
Life office funds	6,457	6,809	6,993	7,164	7,268
Unlisted public offer unit trusts	12,239	12,778	13,253	14,427	15,803
Other investments	1,987	4,880	5,035	5,821	7,045
Deferred tax assets	59	24	26	45	45
Total assets	65,764	67,613	71,701	78,896	84,541
Liabilities					
Direct holdings of derivative financial instruments	601	*	2,364	2,901	3,095
Borrowings	0	1	0	0	4
Current tax liabilities	230	250	223	408	370
Deferred tax liabilities	512	592	689	767	768
Payables and creditors	251	*	583	487	543
Total liabilities	1,594	2,408	3,860	4,563	4,780
Net assets	64,170	65,205	67,840	74,304	79,761
Number of entities	65	65	63	62	57

^a Some movements in the data in the September 2006 quarter are due to asset reclassifications and the introduction of a number of pooled superannuation trusts into the quarterly reporting population.

Explanatory notes

Structure

The *Quarterly Superannuation Performance* comprises statistics on superannuation entities that are required to report quarterly to APRA (those with at least \$50 million in assets). There are 373 APRA-regulated superannuation entities, including 57 pooled superannuation trusts that are required to report quarterly to APRA. This also includes 18 exempt public sector superannuation schemes that report to APRA under an agreement between the Commonwealth Government and each of the State and Territory Governments.

The population of superannuation entities used in the *Quarterly Superannuation Performance* was revised in the September 2007 quarter. This new population includes entities with at least \$50 million in assets as at 30 June 2007.

Statistics on the whole superannuation industry are published once a year in the *Annual Superannuation Bulletin*.

Unless specified, all ratios stated have not been annualised.

Comparison with *Superannuation Trends*

The quarterly publication together with the *Annual Superannuation Bulletin* replace the historical publication, *Superannuation Trends*. *Superannuation Trends* was a quarterly publication containing information on the whole superannuation industry. It was based on data from the Quarterly Survey of Superannuation (comprising funds with greater than \$60 million in assets) and estimates were calculated for the rest of the industry. Details on the methodology behind the new publications are outlined in the article, 'Methodology behind APRA's new superannuation publications', on APRA's website.

Classification of entities

Data in the quarterly publication has been broken down by functional classifications (corporate, industry, public sector and retail) rather than the regulatory classifications. Regulatory classifications under the *Superannuation Industry (Supervision) Act 1993* describe an entity's prudential and legislative requirements, whereas practical definitions (functional classifications) better reflect how an entity operates in commercial reality and also how the fund describes itself. APRA recently reviewed the classification of superannuation entities and details of this review can be found on APRA's web site. Some funds have been re-classified and as a result impact the aggregate statistics. This should be considered when making inferences and conclusions about the data and when comparing it with data from *Superannuation Trends*. Further details can be found on APRA's web site at:

<http://www.apra.gov.au/Statistics/Superannuation-Institutions-Statistics.cfm>

Revisions

The Australian Taxation Office (ATO) has also revised self-managed superannuation fund data from September 2006.

Glossary

Accumulation funds are superannuation entities where all members have defined contributions (accumulated benefits). The assets of the fund are invested and any earnings (or losses) are credited (debited) to the member's account less any charges such as administration fees and insurance premiums. Members bear the full effect of fluctuation in investment earnings.

Administration fees are fees paid by the superannuation entity for any administration service by the entity. These include internal and outsourced administration services, employer sponsor, or expenses of switching members' investment choices.

Approved deposit funds (ADFs) can receive, hold and invest certain types of rollovers until such funds are withdrawn or a condition of release is satisfied (depending on the preservation status of the assets). ADFs can be either single member or multi member.

Average account balance is *total assets* divided by the total number of *member accounts*.

Average assets is the average of the opening and closing balance of *total assets* over the period.

Balance of life office statutory funds refers to assets held for superannuation or retirement purposes in statutory funds of life insurance companies, excluding the assets held in life office statutory funds by superannuation entities. The balance of life office funds includes annuities and assets backing non-policyholder liabilities. These products are regulated under the Life Insurance Act (1995).

Contributions tax and surcharge represents the tax expense in relation to taxable contributions made to the superannuation entity during the period (contributions tax) and the surcharge amount on contributions (contributions surcharge).

Corporate funds are regulated superannuation entities with greater than four members established for the benefit of employees of a particular entity or a group of related entities, with joint member and employer control.

Deferred tax assets refers to amounts of income taxes recoverable in future reporting periods.

Defined benefit funds are superannuation entities where all members have defined benefits. In defined benefit funds, the member's benefit is calculated based on a formula specified in the trust deed. Usually the member's final benefit depends on years of service with an employer (or years of membership of the fund) and level of salary near retirement.

Directly invested assets includes investments that are made by the superannuation entity in its own name as part of the internal investment management function. It includes investments such as cash and deposits, placements and loans, equities and property holdings.

Eligible rollover funds (ERFs) are superannuation funds or *approved deposit funds* which are eligible to receive benefits automatically rolled over from other funds. ERFs typically accept superannuation monies from other funds where the member has become 'lost'.

Entities with greater than four members are superannuation entities regulated by APRA and *exempt public sector schemes* that have greater than four members.

Entities with less than five members (small funds) are superannuation entities regulated by APRA that have less than five members and superannuation entities regulated by the ATO.

Exempt public sector schemes are unregulated public sector superannuation schemes that are required to report to APRA under an agreement between the Commonwealth Government and each of the State and Territory Governments.

Expense ratio is the sum of *operating expenses* and *investment expenses* divided by *average assets*.

Fees and commissions are income earned by the superannuation entity in the form of a fee or a commission. These typically include income for *scrip lending* and *underwriting activities*. This item is incorporated in *other income*.

Hybrid funds are superannuation entities that have a combination of both *accumulation* and *defined benefit* members.

Industry funds are regulated superannuation entities with greater than four members that provide for employees working in the same industry.

Investment expenses are all expenses which are associated with the generation of income on the investment portfolio of the superannuation entity.

Investment income is income generated from the investment portfolio of the superannuation entity.

Investments placed with an investment manager are those that are not directly held, such as individually managed mandates, wholesale trusts and pooled superannuation trusts. Data for superannuation assets placed with investment managers are sourced from the ABS prior to 2003.

Inward rollovers include assets transferred from regulated superannuation entities, *balance of life office statutory funds* and from RSAs.

Leased assets are those assets which fall under a financial lease for the superannuation entity.

Life office statutory funds include monies associated with investment in insurance or life policies.

Management fees (non-investment) are fees paid by the superannuation entity for management services provided by the superannuation entity. Consulting fees and trailing commissions are included in this item.

Member accounts are the total number of accounts open on behalf of members in a superannuation entity.

Net contribution flows is *total contributions* plus *net rollovers* less benefit payments and are gross of *contributions tax and surcharge*.

Net earnings is the sum of *net investment income* and *other income* less *operating expenses*.

Net earnings after tax is net earnings generated during the period less *tax expense on earnings*.

Net growth is the difference between the opening and closing balance of *total assets* over the period.

Net investment income is *investment income* (including unrealised gains/losses) less *investment expenses*.

Net operating performance after tax is *net contribution flows* less *contributions tax and surcharge* plus total proceeds on insurance policies less cost of member benefit insurance plus *net earnings after tax*.

Net rollovers is the difference between *inward rollovers* and *outward rollovers*.

Number of entities is the number of active superannuation entities in the period.

Operating expenses include expenses incurred which are not ordinarily directly associated with the generation of *investment income* (i.e. expenses that are not directly related to the investment portfolio of the superannuation entity, but more toward the administration of the superannuation entity).

Other APRA-regulated superannuation funds (non public offer) are superannuation funds regulated by APRA that have greater than four members but are not open to the public.

Other assets include receivables and *deferred tax assets*.

Other changes are calculated using residual analysis based on *net growth*, *net contribution flows*, *net investment income* and *operating expenses*.

Other contributions refer to contributions other than *employer* or *member contributions* and include spouse contributions and government co-contributions.

Other default strategy assets includes assets in alternative investments such as hedge funds and assets not included in any alternative categories.

Other income includes amounts that do not fall into the alternative income categories.

Other investments include all investments not separately disclosed in the alternate investment categories. For the purpose of this publication it includes *securities purchased under agreement to resell* and *leased assets*.

Other member entrants includes member entrants (transfers) from other fund types and entrants where the reason is unknown or they do not fall into the alternative reasons for members entrants.

Other member exits includes member exits (transfers) to other fund types and exits where the reason is unknown or they do not fall into the alternative reasons for members exits.

Other operating expenses include *operating expenses* not included in other categories as well as fees paid to audit firms for the provision of both audit and non-audit services.

Outward rollovers are those monies which are transferred from the superannuation entity to another superannuation entity.

Pooled superannuation trusts (PSTs) are trusts in which regulated superannuation funds, *approved deposit funds* and other PSTs invest. Pooled superannuation trusts are not included in total assets as their assets are captured in other superannuation entity categories.

Public offer superannuation funds (public offer) are superannuation funds regulated by APRA that offer or intend to offer superannuation interests to the public on a commercial basis.

Public sector funds are superannuation entities with greater than four members that provide benefits for Government employees, or are schemes established by a Commonwealth, State or Territory law.

Registrable superannuation entity (RSE) is a *superannuation entity*, not including *self-managed superannuation funds*. From 1 July 2006, all trustees operating APRA-regulated superannuation entities were required to hold a RSE Licence and register their superannuation entities with APRA.

Repatriation to employer sponsors is the payment of a surplus to the employer sponsor of the superannuation entity. The circumstances under which this occurs are usually set out in the superannuation entities' trust deed.

Retail funds are superannuation entities with greater than four members that offer superannuation products to the public on a commercial basis. All *ERFs* and *multi-member ADFs* are classified as retail funds in this publication.

Retirement savings accounts (RSAs) are licensed authorised deposit taking institutions, life insurance companies and prescribed financial institutions that offer a capital guaranteed product for retirement savings.

Return on assets is *net earnings after tax* divided by the *average assets* for the period.

Scrip lending refers to the situation where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future for the return of the cash (plus an additional amount of earnings, fees or commissions).

Securities purchased under agreement to resell are assets where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future in exchange for the return of the cash (plus interest).

Self-managed superannuation funds (SMSFs) are superannuation entities regulated by the Australian Taxation Office that have less than five members, all of whom are trustees or directors of the corporate trustee. No member can be an employee of another member unless they are related.

Small APRA funds (SAFs) are superannuation funds regulated by APRA with less than five members that have an Extended Public Offer Entity Licence

Superannuation entity is a regulated superannuation fund, an *approved deposit fund* or a *pooled superannuation trust*.

Tax expense on earnings represents the tax associated with operating performance. It includes the tax on investment earnings but excludes *contributions tax and surcharge*.

Total assets is the sum of the resources owned by the fund. These include cash, investments and receivables.

Total contributions include contributions from employers, members and other sources.

Underwriting activities are when the superannuation entity provides or guarantees to underwrite the issue of securities.

Unlisted public offer unit trusts are collective investments established under a trust deed open to retail investors. They are not listed on an organised stock exchange, and include unlisted retail/public offer cash management unit trusts.

Wholesale trusts are collective investments established under a trust deed. They are usually only open to institutional investors and have a high entry level. An information memorandum is usually issued rather than a product disclosure statement.



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