

Appendix 4

CONFIDENTIAL

Administration Cost Centre Breakdown	1	2	3	4	5	6	7	8	9	10	Commentary
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Advice, Marketing & Growth											
Member Correspondence and Advice											
Member Correspondence & Education			5,607,943	6,477,175	13,091,986	10,646,078	10,885,436	11,316,314	11,010,921	8,269,122	Member correspondence, engagement and education services. E.g. Correspondence related to Annual Statements, Mid Year Mail, Significant Event Notices and various member education material. The decline in FY16/17 spend is a result of moving from paper based to electronic based communication methods.
Member Advice and Administration			1,770,250	1,984,202	2,540,696	2,859,788	3,194,980	4,361,611	3,515,374	2,918,599	
Employer Administration											
Employer Contribution Administration			7,541,895	9,046,520	9,282,443	9,204,525	8,431,727	5,983,232	7,112,465	6,447,880	Onboarding employers and ongoing services to assist with employer contributions. Expenses are declining as a result of enhancement projects such as bringing in-house the clearing house facilities.
Relationship Management & Education			4,448,469	1,638,121	1,780,090	3,519,471	4,881,406	6,649,333	4,688,779	3,582,121	Member and employer relationship management and education.
Total Advice, Marketing & Growth	-	-	19,368,558	19,146,019	26,695,216	26,229,863	27,393,548	28,310,490	26,327,539	21,217,721	
Information & Technology											
Information & Technology			27,995,410	31,516,626	34,694,352	33,015,699	34,226,273	31,467,679	32,968,084	34,949,223	IT systems, software licences, maintenance and professional fees used for member administration, including depreciation and amortisation of acquired and in-house developed software and systems.
Total Information & Technology	-	-	27,995,410	31,516,626	34,694,352	33,015,699	34,226,273	31,467,679	32,968,084	34,949,223	
Member Administration											
Member Administration			14,465,081	15,173,025	18,491,930	17,517,289	21,030,783	23,101,501	23,727,129	26,000,841	Member administration and services such as call centre, member services, insurance underwriting, claims handling, processing member contributions and other transactional services.
Total Member Administration	-	-	14,465,081	15,173,025	18,491,930	17,517,289	21,030,783	23,101,501	23,727,129	26,000,841	
Corporate Services											
Finance & Corporate Services			15,557,465	9,953,716	10,974,919	13,358,263	14,788,749	13,475,134	13,305,951	17,176,171	Support functions, including Finance, Human Resources, Products and Facilities. Increase in spend in FY16/17 is due to change in assigning occupancy costs. Previously rent expense was decentralised.
Legal, Risk and Compliance services			1,675,037	1,636,898	1,563,364	1,350,787	1,375,201	2,259,392	3,238,732	4,524,463	Member and administration related legal, compliance and risk mitigation activities.
Total Corporate Services	-	-	17,232,502	11,590,614	12,538,283	14,709,049	16,163,950	15,734,526	16,544,683	21,700,634	
Projects											
Project Support			7,616,113	1,197,770	1,465,544	1,183,776	1,459,440	1,736,873	2,587,824	2,248,510	Ongoing cost of supporting projects and team responsible for identifying and prioritising regulatory and service enhancement projects.
Project Implementation Expenses (Operational & Strategic)			-	5,077,143	221,782	2,691,095	4,372,105	8,021,247	19,882,865	17,660,679	One-off project implementation expenses driven by regulatory requirements or enhancements to existing administration services. This is a non-capital spend. In line with Sunsuper's 5 year strategy, there has been a significant investment in state of the art systems and processes to bring efficiencies and scalability to current processes. For example electronic member communications.
Total Project expenses			7,616,113	6,274,913	1,687,326	3,874,871	5,831,545	9,758,120	22,470,689	19,909,189	
The Board											
The Board Remuneration paid to related parties											The amounts shown here are the Board remuneration paid to related parties as agreed at the time of appointing Board members. These expenses are disclosed in the Financial Statements.
Queensland Council of Unions			71,950	83,102	151,245	176,963	175,047	190,358	124,240	136,678	2 Board Members from FY11/12 and 1 Board Member previously.
The Australian Workers' Union of Employees, Queensland			-	-	-	-	53,072	59,210	104,061	111,271	1 Board member including chair fees from FY15/16.
Queensland Teachers' Union			92,300	94,854	21,607	-	-	-	-	-	No current Board member - 1 board member till FY11/12.
The Board Remuneration paid directly to Board Members			315,136	324,650	368,592	361,857	310,765	359,351	538,207	627,842	6 Board Members directly receiving remuneration from FY15/16, when 3 independent directors joined the fund. This figure includes individual Board member superannuation contributions.
Other Board Costs			178,840	267,225	567,566	463,559	528,153	684,138	721,119	724,058	Includes professional legal fees, board advisor fees, insurance, training and travel expenses. Increase in FY11/12 expenses are related to legal costs. FY12/13 onwards the insurance costs have been assigned directly to the Board costs.
Total Board Expenses	-	-	658,227	769,831	1,109,010	1,002,379	1,067,037	1,293,057	1,487,626	1,599,849	
Outsourced Administration Services (FY07/08 & FY08/09)											
Outsourced Administration Services (FY07/08 & FY08/09)	61,623,194	71,389,093	-	-	-	-	-	-	-	-	Administration services were outsourced in FY07/08 & 08/09.
Total Outsourced Administration Services	61,623,194	71,389,093	-	-	-	-	-	-	-	-	
TOTAL ADMINISTRATION AND OTHER EXPENSES including Project implementation costs	61,623,194	71,389,093	87,335,889	84,471,027	95,216,116	96,349,150	105,713,136	109,665,373	123,525,750	125,377,458	
Internal Investment Expenses											
Internal Investment Expenses	9,465,926	10,930,030	14,228,027	14,745,298	16,627,730	17,858,802	19,579,621	24,423,566	28,887,986	30,265,018	Over recent years Sunsuper has insourced a number of investment capabilities from external managers where efficiencies can be gained. These costs include the remuneration of the internal investment team, custodian fees (paid to State Street) and other investment related expenses incurred. Investment expenses are also linked to the growth of assets under management.
Internal Investment Expenses	9,465,926	10,930,030	14,228,027	14,745,298	16,627,730	17,858,802	19,579,621	24,423,566	28,887,986	30,265,018	