

Hatch plan to save nest egg

Not paying attention to your super fund fees could cost you dearly, writes **Anthony Keane**

EXORBITANT super fund fees could cost you hundreds of thousands in retirement so it's wise to make sure you're not paying more than you should. Superannuation specialists say fees are more transparent than ever with easy checks available online and on annual fund statements – which should arrive by the end of this month.

Comparing fees starts with taking an interest in your super. It's your money, just like cash in the bank or a share portfolio, but with extra rules that stop you from withdrawing it all before you retire.

Research group Canstar examined almost 70 industry and retail super funds and found the cost of paying the highest fees, rather than average fees, on an \$80,000 super fund balance could shrink a nest egg by more than \$200,000 over 30 years.

It found for an \$80,000 balance, total annual fees could range from \$450 to \$2322. For a \$140,000 balance the fee spread is between \$728 and \$3966, and for a \$200,000 balance it's between \$998 and \$5610.

Canstar spokeswoman Justine Davies says there are

some great value funds, both retail and industry super.

"But there is a big difference in fees being charged, and all other things being equal, this can have a big impact on your retirement nest egg," she says.

Davies says fee disclosure has improved in recent years but is still confusing for many workers, who need to learn about administration fees, investment fees and potentially adviser fees.

"Just try mentioning those words at a barbecue, and watch people's eyes glaze over."

People who haven't examined their super fund fees for years – or decades – may be getting ripped off, because some old funds charge ridiculously high management fees and exorbitant entry and exit fees.

Wealth on Track principal Steve Greatrex says most modern super products are "generally competitive" and the fees you pay usually depend on the features you are getting.

There are several super comparison websites available, and moneysmart.gov.au has a good guide to using and understanding them.

But don't just chase the cheapest fee. Basic funds may have low fees but offer little flexibility, while a fund with more features – such as active investment management, capital protection or the ability to buy and sell individual shares – can cost more.

"My personal super is in a fund that is relatively expensive, as important as comparing fees

but it is managed to avoid volatility because I am getting closer to my retirement and I don't want to suffer a huge fall if we have another GFC," Greatrex says.

Many of his older clients share a similar view. Greatrex says comparing super funds' long-term investment returns is as important as comparing fees

A BREAKDOWN OF SUPER FUND FEES

AVERAGE \$80,000 BALANCE

	Average Fees (\$)	Min Fees (\$)	Max Fees (\$)
Annual Member Fee	\$81	\$0	\$480
Administration Fee	\$202	\$0	\$831
Investment Fee	\$473	\$0	\$1,926
Other Indirect Costs	\$241	\$16	\$863
Performance Fee	\$36	\$0	\$408

Source: www.canstar.com.au

Millennials cop the cost of extra data

SOPHIE ELSWORTH

MOST millennials are paying extra on top of their plans to cope with data addiction. Streaming videos, and music for fun to four

suits their data needs to limit bill shock.

Datajunkie Bronte Smalls, 22, says she streams up to two to three hours a day but usually tries to do this using wi-fi to ensure she

