
Cost of investment management factors

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1. Background

- 1.1 The tables contained in this publication may be used to approximate the uplift required to meet fund management costs arising on various lump sums, invested over various durations.
- 1.2 These factors have been derived in accordance with the principals set out by the High Court of Australia in *Gray v Richards* [2014] HCA 40. Namely:
- They include "fund management damages" in full, without any distinction between fund management on the initial sum and fund management on fund management; and
 - They exclude "fund management on income" in that no allowance for the time value of money is incorporated into any of the nominal fund drawdown schedules.
- 1.3 However, there remains potential ambiguity in the treatment of income-based fees and commissions. Although such fee components might seem an excluded component under the issue of "fund management on income" the figures awarded by the High Court of Australia were taken directly from schedules which included income-based "supervision" fees.
- 1.4 Notwithstanding this potential ambiguity, the tables in this publication have been prepared excluding income based commissions. It may remain a matter for legal determination as to whether these fees are to be included in such calculations.
- 1.5 Tables have been prepared for the following fund managers:
- NSW Trustee & Guardian
 - Perpetual Trustees (NSW)
 - National Australia Trustees (NSW, VIC and QLD)
 - National Australia Trustees (WA, SA and NT)
 - Trust Company (NSW)
 - Senior Masters (Victoria)
 - Public Trustees (Western Australia)
 - Public Trustees (Queensland)
 - Public Trustees (ACT)
 - Public Trustees (Tasmania)
- 1.6 All fee calculations contained in this report are indicative only. Fee components and structures may change over time or via negotiation in specific matters.

2 NSW Trustee & Guardian (current)

2.1 Fund management fees of the NSW Trustee and Guardian are set by the [NSW Trustee & Guardian Regulations 2008](#) and are currently:

- a one-off establishment fee of 1.00% calculated on the initial sum (while not specified in the Regulations, this fee is currently capped at \$3,300).
- management fees of 1.10% per annum calculated on the fund balance (while not specified in the Regulations, this fee is currently capped at \$15,000 per annum).
- investment fees of 0.50% per annum, calculated on the fund balance, which are charged in place of net effective management expense ratios.

2.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 2.2.1 - NSW Trustee & Guardian (current)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$23,000	\$42,000	\$60,000	\$78,000	\$146,000	\$216,000	\$292,000
1.0	\$42,000	\$80,000	\$117,000	\$152,000	\$289,000	\$416,000	\$529,000
2.5	\$86,000	\$162,000	\$232,000	\$297,000	\$516,000	\$688,000	\$830,000
5.0	\$125,000	\$236,000	\$338,000	\$431,000	\$741,000	\$980,000	\$1,177,000
10.0	\$190,000	\$360,000	\$515,000	\$659,000	\$1,135,000	\$1,505,000	\$1,811,000
5% discount rate							
0.5	\$22,000	\$39,000	\$55,000	\$70,000	\$122,000	\$171,000	\$223,000
1.0	\$41,000	\$76,000	\$107,000	\$137,000	\$240,000	\$326,000	\$395,000
2.5	\$83,000	\$152,000	\$211,000	\$263,000	\$417,000	\$518,000	\$596,000
5.0	\$121,000	\$220,000	\$306,000	\$379,000	\$594,000	\$735,000	\$845,000
10.0	\$184,000	\$336,000	\$467,000	\$581,000	\$914,000	\$1,138,000	\$1,311,000
6% discount rate							
0.5	\$22,000	\$38,000	\$53,000	\$67,000	\$112,000	\$154,000	\$199,000
1.0	\$41,000	\$74,000	\$103,000	\$130,000	\$221,000	\$294,000	\$349,000
2.5	\$82,000	\$147,000	\$202,000	\$248,000	\$378,000	\$459,000	\$520,000
5.0	\$119,000	\$213,000	\$292,000	\$357,000	\$538,000	\$651,000	\$738,000
10.0	\$181,000	\$326,000	\$446,000	\$548,000	\$831,000	\$1,010,000	\$1,148,000

2.3 Caution should be applied to these uplifts in light of the September 2014 [Draft Independent Pricing and Regulatory Tribunal Review](#), which stated the following relevant points:

- IPART's ability to perform an effective fee review was constrained by the limited data availability from the OPC's financial and management information systems that have persisted since 2003.
- Since its establishment in 2009, NSW TG's costs have increased while total revenue has remained flat. This widening gap between revenue and expenses has been historically met by transfers from a reserve account, referred to as the Interest Suspense Account (ISA).
- The balance in the ISA account is projected to be exhausted by 2015/16 and is expected to lead to a budget shortfall. This shortfall will require absorption into the NSW Budget, reduction of operating costs, or increases in fees.

3 NSW Trustee & Guardian (proposed)

3.1 Fund management fees proposed by the NSW Trustee and Guardian in the [September 2014 Draft Independent Pricing and Regulatory Tribunal Review](#) are:

- a one off establishment fee of 1.00% calculated on the initial sum proposed to be capped at \$3,300.
- management fee of 1.30% per annum calculated on the fund balance, capped at \$25,000 per annum.
- investment fees of 0.75% per annum, calculated on the fund balance, which are charged in place of net effective management expense ratios.

3.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund initial fund amounts, duration of management and discount rates are:

Table 3.2.1 - NSW Trustee & Guardian (proposed)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$26,000	\$48,000	\$70,000	\$91,000	\$175,000	\$266,000	\$371,000
1.0	\$49,000	\$93,000	\$136,000	\$178,000	\$348,000	\$529,000	\$738,000
2.5	\$116,000	\$223,000	\$326,000	\$424,000	\$779,000	\$1,088,000	\$1,369,000
5.0	\$187,000	\$357,000	\$516,000	\$665,000	\$1,181,000	\$1,612,000	\$2,000,000
10.0	\$290,000	\$555,000	\$801,000	\$1,031,000	\$1,823,000	\$2,482,000	\$3,076,000
5% discount rate							
0.5	\$25,000	\$45,000	\$64,000	\$82,000	\$146,000	\$211,000	\$284,000
1.0	\$47,000	\$88,000	\$125,000	\$160,000	\$290,000	\$418,000	\$564,000
2.5	\$113,000	\$210,000	\$299,000	\$379,000	\$640,000	\$838,000	\$1,005,000
5.0	\$181,000	\$335,000	\$469,000	\$588,000	\$955,000	\$1,223,000	\$1,452,000
10.0	\$280,000	\$519,000	\$727,000	\$911,000	\$1,473,000	\$1,887,000	\$2,242,000
6% discount rate							
0.5	\$25,000	\$44,000	\$62,000	\$78,000	\$135,000	\$191,000	\$254,000
1.0	\$47,000	\$85,000	\$120,000	\$153,000	\$267,000	\$378,000	\$504,000
2.5	\$111,000	\$205,000	\$287,000	\$360,000	\$586,000	\$748,000	\$883,000
5.0	\$178,000	\$324,000	\$449,000	\$555,000	\$868,000	\$1,087,000	\$1,273,000
10.0	\$275,000	\$503,000	\$695,000	\$859,000	\$1,340,000	\$1,679,000	\$1,969,000

4 Perpetual Trustees

4.1 Fund management fees of Perpetual Trustees are based on their online [Schedule of Fees](#):

- a one-off establishment fee of 1.10%, capped at \$35,000 and calculated on the initial fund (though for these calculations, I have been advised by Perpetual Trustees that an establishment fee of 0.65% is more indicative).
- management expenses as below, subject to a minimum of \$5,775 per annum:

Portfolio value	Management fee (% pa)
On the first \$500,000	1.925%
On the next \$500,000	1.375%
On the next \$2,000,000	0.825%
On the balance	0.530%

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- net effective management expense ratios (which I have been advised by Perpetual Trustees are typically about 0.39% per annum).

4.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 4.2.1 - Perpetual Trustees

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$36,000	\$68,000	\$99,000	\$131,000	\$258,000	\$395,000	\$540,000
1.0	\$64,000	\$119,000	\$173,000	\$225,000	\$422,000	\$612,000	\$809,000
2.5	\$128,000	\$233,000	\$334,000	\$430,000	\$780,000	\$1,095,000	\$1,398,000
5.0	\$216,000	\$385,000	\$544,000	\$694,000	\$1,226,000	\$1,692,000	\$2,133,000
10.0	\$337,000	\$615,000	\$877,000	\$1,124,000	\$1,999,000	\$2,763,000	\$3,485,000
5% discount rate							
0.5	\$35,000	\$64,000	\$91,000	\$117,000	\$213,000	\$309,000	\$406,000
1.0	\$62,000	\$113,000	\$159,000	\$201,000	\$347,000	\$475,000	\$603,000
2.5	\$124,000	\$220,000	\$305,000	\$383,000	\$639,000	\$845,000	\$1,034,000
5.0	\$209,000	\$363,000	\$498,000	\$618,000	\$1,001,000	\$1,300,000	\$1,573,000
10.0	\$327,000	\$578,000	\$802,000	\$1,000,000	\$1,633,000	\$2,128,000	\$2,577,000
6% discount rate							
0.5	\$34,000	\$62,000	\$88,000	\$111,000	\$196,000	\$279,000	\$361,000
1.0	\$61,000	\$109,000	\$152,000	\$191,000	\$318,000	\$426,000	\$534,000
2.5	\$122,000	\$213,000	\$293,000	\$363,000	\$584,000	\$756,000	\$913,000
5.0	\$206,000	\$353,000	\$478,000	\$586,000	\$915,000	\$1,162,000	\$1,388,000
10.0	\$322,000	\$561,000	\$768,000	\$947,000	\$1,493,000	\$1,904,000	\$2,276,000

4.3 The above figures exclude current NSW Trustee and Guardian supervision fees of 4% of gross income, capped at \$2,000 per annum.

5 National Australia Trustees (NSW, VIC and QLD)

5.1 Fund management fees of National Australia Trustees (in NSW, Victoria and Queensland) are based on their online [Schedule of Fees](#):

- a one-off establishment fee of up to \$15,000:

Portfolio value	Establishment fee (\$)
...	...
\$250,001 - \$500,000	\$5,000
\$500,001 - \$1,000,000	\$10,000
\$1,000,001 - \$2,000,000	\$12,500
\$2,000,000 and greater	\$15,000

- annual management fees as follows:

Portfolio value	Management fee (% pa)
On the first \$1,000,000	1.000%
On the next \$1,000,000	0.800%
On the next \$1,000,000	0.600%
On the balance	0.350%

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- net effective management expense ratios (which I have been advised by National Australia Trustees are typically about 0.60% per annum).

5.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 5.2.1 - National Australia Trustees (NSW, VIC and QLD)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$33,000	\$55,000	\$77,000	\$98,000	\$179,000	\$263,000	\$358,000
1.0	\$55,000	\$96,000	\$136,000	\$174,000	\$321,000	\$465,000	\$622,000
2.5	\$111,000	\$202,000	\$289,000	\$373,000	\$680,000	\$958,000	\$1,225,000
5.0	\$183,000	\$341,000	\$489,000	\$629,000	\$1,130,000	\$1,573,000	\$1,993,000
10.0	\$306,000	\$577,000	\$832,000	\$1,073,000	\$1,932,000	\$2,687,000	\$3,404,000
5% discount rate							
0.5	\$32,000	\$53,000	\$71,000	\$88,000	\$149,000	\$207,000	\$273,000
1.0	\$54,000	\$91,000	\$125,000	\$157,000	\$266,000	\$365,000	\$470,000
2.5	\$108,000	\$191,000	\$266,000	\$334,000	\$560,000	\$744,000	\$911,000
5.0	\$177,000	\$320,000	\$447,000	\$561,000	\$925,000	\$1,212,000	\$1,474,000
10.0	\$297,000	\$542,000	\$760,000	\$955,000	\$1,581,000	\$2,074,000	\$2,523,000
6% discount rate							
0.5	\$32,000	\$51,000	\$69,000	\$84,000	\$137,000	\$187,000	\$244,000
1.0	\$53,000	\$89,000	\$121,000	\$149,000	\$245,000	\$330,000	\$419,000
2.5	\$106,000	\$186,000	\$255,000	\$317,000	\$514,000	\$667,000	\$806,000
5.0	\$175,000	\$311,000	\$429,000	\$531,000	\$846,000	\$1,084,000	\$1,301,000
10.0	\$292,000	\$526,000	\$728,000	\$905,000	\$1,445,000	\$1,856,000	\$2,229,000

5.3 The above figures exclude NSW Trustee and Guardian supervision fees of 4% of gross income, capped at \$2,000 per annum.

6 National Australia Trustees (WA, SA and NT)

6.1 Fund management fees of National Australia Trustees (in Western Australia, South Australia and Northern Territory) are based on their online [Schedule of Fees](#):

- a one-off establishment fee of up to \$15,000:

Portfolio value	Establishment fee (\$)
...	...
\$250,001 - \$500,000	\$5,000
\$500,001 - \$1,000,000	\$10,000
\$1,000,001 - \$2,000,000	\$12,500
\$2,000,000 and greater	\$15,000

- annual management fees as follows:

Portfolio value	Management fee (% pa)
On the first \$1,000,000	1.000%
On the next \$1,000,000	0.620%
On the balance	0.420%

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- net effective management expense ratios (which I have been advised by National Australia Trustees are typically about 0.60% per annum).

6.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 6.2.1 - National Australia Trustees (WA, SA and NT)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$33,000	\$55,000	\$77,000	\$98,000	\$179,000	\$263,000	\$358,000
1.0	\$55,000	\$96,000	\$136,000	\$174,000	\$317,000	\$454,000	\$597,000
2.5	\$107,000	\$193,000	\$275,000	\$353,000	\$635,000	\$889,000	\$1,135,000
5.0	\$174,000	\$323,000	\$464,000	\$597,000	\$1,076,000	\$1,506,000	\$1,921,000
10.0	\$301,000	\$568,000	\$821,000	\$1,060,000	\$1,921,000	\$2,692,000	\$3,436,000
5% discount rate							
0.5	\$32,000	\$53,000	\$71,000	\$88,000	\$149,000	\$207,000	\$272,000
1.0	\$54,000	\$91,000	\$125,000	\$156,000	\$263,000	\$355,000	\$449,000
2.5	\$104,000	\$182,000	\$252,000	\$316,000	\$521,000	\$688,000	\$843,000
5.0	\$169,000	\$304,000	\$424,000	\$532,000	\$882,000	\$1,164,000	\$1,427,000
10.0	\$292,000	\$534,000	\$751,000	\$945,000	\$1,578,000	\$2,088,000	\$2,561,000
6% discount rate							
0.5	\$32,000	\$51,000	\$69,000	\$84,000	\$137,000	\$187,000	\$243,000
1.0	\$53,000	\$89,000	\$120,000	\$149,000	\$242,000	\$320,000	\$399,000
2.5	\$102,000	\$177,000	\$242,000	\$300,000	\$478,000	\$616,000	\$746,000
5.0	\$166,000	\$295,000	\$407,000	\$504,000	\$808,000	\$1,043,000	\$1,262,000
10.0	\$287,000	\$519,000	\$720,000	\$896,000	\$1,446,000	\$1,873,000	\$2,267,000

6.3 The above figures exclude NSW Trustee and Guardian supervision fees of 4% of gross income, capped at \$2,000 per annum.

7 Trust Company

7.1 Maximum fund management fees of Trust Company can be found on page 9 of their [Schedule of Fees and Charges](#) though I have been advised by Trust Company that the following fees are more indicative:

- a one-off establishment fee of \$11,000
- annual management fees of 0.688% per annum, subject to a minimum of \$16,500.
- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- net effective management expense ratios of about 0.45% per annum.

7.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 7.2.1 - Trust Company

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
1.0	\$103,000	\$185,000	\$258,000	\$323,000	\$529,000	\$673,000	\$814,000
2.5	\$119,000	\$217,000	\$306,000	\$388,000	\$671,000	\$926,000	\$1,188,000
5.0	\$170,000	\$319,000	\$459,000	\$592,000	\$1,071,000	\$1,513,000	\$1,959,000
10.0	\$299,000	\$572,000	\$829,000	\$1,075,000	\$1,973,000	\$2,800,000	\$3,624,000
5% discount rate							
0.5	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
1.0	\$99,000	\$170,000	\$229,000	\$278,000	\$408,000	\$485,000	\$564,000
2.5	\$115,000	\$201,000	\$274,000	\$336,000	\$529,000	\$692,000	\$861,000
5.0	\$164,000	\$298,000	\$417,000	\$523,000	\$869,000	\$1,163,000	\$1,454,000
10.0	\$290,000	\$537,000	\$758,000	\$959,000	\$1,623,000	\$2,179,000	\$2,715,000
6% discount rate							
0.5	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
1.0	\$97,000	\$164,000	\$217,000	\$259,000	\$364,000	\$423,000	\$488,000
2.5	\$112,000	\$194,000	\$260,000	\$315,000	\$477,000	\$613,000	\$757,000
5.0	\$162,000	\$289,000	\$398,000	\$493,000	\$793,000	\$1,041,000	\$1,287,000
10.0	\$286,000	\$522,000	\$727,000	\$909,000	\$1,488,000	\$1,958,000	\$2,409,000

7.3 The above figures exclude NSW Trustee and Guardian supervision fees of 4% of gross income, capped at \$2,000 per annum.

8 State Trustees (Victoria) / Equity Trustees

8.1 Fund management fees of State Trustees (Victoria) and Equity Trustees are comparable and are based on State Trustee's online [Statement of Fees & Charges](#) and Equity Trustee's online [Fee Schedule](#):

- a one-off capital commission of:

Portfolio value	Establishment fee (\$)
On the first \$500,000	5.50%
On the next \$500,000	3.30%
On the next \$1,000,000	1.65%
On the balance	1.10%

} 5.50% for State Trustees (Victoria)

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- net effective management expense ratios of 1.10% per annum.

8.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 8.2.1 - State Trustees (Victoria) / Equity Trustees

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$46,000	\$62,000	\$78,000	\$93,000	\$148,000	\$199,000	\$250,000
1.0	\$76,000	\$105,000	\$132,000	\$158,000	\$254,000	\$343,000	\$430,000
2.5	\$138,000	\$205,000	\$269,000	\$329,000	\$551,000	\$754,000	\$955,000
5.0	\$233,000	\$364,000	\$488,000	\$607,000	\$1,040,000	\$1,437,000	\$1,826,000
10.0	\$424,000	\$682,000	\$928,000	\$1,162,000	\$2,018,000	\$2,801,000	\$3,570,000
5% discount rate							
0.5	\$45,000	\$60,000	\$74,000	\$86,000	\$127,000	\$162,000	\$196,000
1.0	\$75,000	\$101,000	\$125,000	\$146,000	\$218,000	\$277,000	\$335,000
2.5	\$136,000	\$197,000	\$252,000	\$302,000	\$467,000	\$605,000	\$736,000
5.0	\$229,000	\$348,000	\$456,000	\$554,000	\$878,000	\$1,147,000	\$1,403,000
10.0	\$415,000	\$651,000	\$864,000	\$1,057,000	\$1,699,000	\$2,231,000	\$2,736,000
6% discount rate							
0.5	\$45,000	\$59,000	\$72,000	\$83,000	\$119,000	\$149,000	\$178,000
1.0	\$74,000	\$99,000	\$121,000	\$141,000	\$203,000	\$254,000	\$303,000
2.5	\$135,000	\$193,000	\$244,000	\$290,000	\$435,000	\$552,000	\$663,000
5.0	\$227,000	\$341,000	\$441,000	\$530,000	\$815,000	\$1,043,000	\$1,259,000
10.0	\$411,000	\$637,000	\$836,000	\$1,012,000	\$1,574,000	\$2,026,000	\$2,452,000

8.3 The above figures exclude income commission fees of 6.6% of gross income per annum.

9 Senior Masters (Vic)

- 9.1 The Senior Master's (Funds in Court) Office do not charge direct fees. However, Section 113(18) of the [Supreme Court Act 1986](#) empowers them to levy administrative costs on the interest retained in the Common Fund to meet operational expenses of the Office.
- 9.2 Current administrative cost levies are about 1.14% per annum, though discussion with the Senior Master's Office suggest projected cost levies may be as high as 1.30% per annum.
- 9.3 Based on current administrative cost levies, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 9.3.1 - Senior Masters (Vic)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$14,000	\$27,000	\$39,000	\$51,000	\$95,000	\$135,000	\$174,000
1.0	\$28,000	\$54,000	\$79,000	\$102,000	\$189,000	\$269,000	\$348,000
2.5	\$69,000	\$135,000	\$197,000	\$256,000	\$473,000	\$673,000	\$870,000
5.0	\$138,000	\$269,000	\$394,000	\$512,000	\$947,000	\$1,346,000	\$1,739,000
10.0	\$277,000	\$538,000	\$787,000	\$1,025,000	\$1,894,000	\$2,692,000	\$3,478,000
5% discount rate							
0.5	\$13,000	\$25,000	\$36,000	\$46,000	\$78,000	\$105,000	\$131,000
1.0	\$27,000	\$51,000	\$72,000	\$92,000	\$157,000	\$211,000	\$262,000
2.5	\$67,000	\$127,000	\$181,000	\$229,000	\$392,000	\$526,000	\$654,000
5.0	\$134,000	\$254,000	\$361,000	\$459,000	\$783,000	\$1,053,000	\$1,308,000
10.0	\$268,000	\$507,000	\$722,000	\$917,000	\$1,567,000	\$2,106,000	\$2,617,000
6% discount rate							
0.5	\$13,000	\$25,000	\$35,000	\$44,000	\$72,000	\$95,000	\$116,000
1.0	\$26,000	\$49,000	\$69,000	\$87,000	\$144,000	\$189,000	\$232,000
2.5	\$66,000	\$123,000	\$173,000	\$218,000	\$360,000	\$474,000	\$581,000
5.0	\$132,000	\$246,000	\$347,000	\$436,000	\$719,000	\$947,000	\$1,162,000
10.0	\$264,000	\$493,000	\$693,000	\$871,000	\$1,439,000	\$1,894,000	\$2,324,000

- 9.4 Under projected cost levies of 1.30% per annum, the above figures would increase by between 15% and 20% depending on the duration of management.

10 Public Trustees (WA)

10.1 Fund management fees of the Public Trustee of Western Australia are based on their [Scale of Fees](#)

- a one-off establishment fee of \$6,200 as per clause 42 & Schedule 15.
- personal financial administration fees of \$4,960 per annum as per clause 43(1) & Schedule 9, on the basis of the maximum number of annual transactions.
- asset management fees as per clause 43(2) & Schedule 7 of:

Portfolio value	Annual fee (\$ pa)
...	...
\$50,000 to \$100,000	\$744
\$100,000 to \$200,000	\$1,240
\$200,000 to \$300,000	\$1,736
\$300,000 to \$500,000	\$2,480
\$500,000 to \$750,000	\$3,720
\$750,000 to \$1,000,000	\$5,456
\$1,000,000 to \$1,500,000	\$7,192
\$1,500,000 to \$2,000,000	\$8,928
\$2,000,000 to \$2,500,000	\$10,664
\$2,500,000 and greater	\$12,400

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- external investment fees of up to 2% per annum as per clause 74 (though for these calculations, I have been advised by the Public Trustee of Western Australia that investment fees of 1% per annum are more indicative).

10.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 10.2.1 - Public Trustees (WA)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$54,000	\$101,000	\$144,000	\$187,000	\$355,000	\$531,000	\$724,000
1.0	\$74,000	\$137,000	\$201,000	\$261,000	\$489,000	\$716,000	\$964,000
2.5	\$127,000	\$241,000	\$350,000	\$454,000	\$837,000	\$1,186,000	\$1,531,000
5.0	\$202,000	\$382,000	\$554,000	\$716,000	\$1,297,000	\$1,820,000	\$2,325,000
10.0	\$330,000	\$631,000	\$913,000	\$1,181,000	\$2,141,000	\$2,996,000	\$3,823,000
5% discount rate							
0.5	\$52,000	\$94,000	\$130,000	\$163,000	\$285,000	\$402,000	\$529,000
1.0	\$71,000	\$128,000	\$182,000	\$230,000	\$395,000	\$546,000	\$709,000
2.5	\$122,000	\$226,000	\$318,000	\$402,000	\$680,000	\$906,000	\$1,122,000
5.0	\$196,000	\$358,000	\$504,000	\$634,000	\$1,053,000	\$1,391,000	\$1,708,000
10.0	\$319,000	\$591,000	\$832,000	\$1,048,000	\$1,744,000	\$2,303,000	\$2,825,000
6% discount rate							
0.5	\$51,000	\$91,000	\$124,000	\$154,000	\$258,000	\$358,000	\$466,000
1.0	\$70,000	\$124,000	\$174,000	\$217,000	\$359,000	\$487,000	\$625,000
2.5	\$120,000	\$219,000	\$304,000	\$380,000	\$619,000	\$808,000	\$987,000
5.0	\$192,000	\$347,000	\$482,000	\$599,000	\$959,000	\$1,241,000	\$1,504,000
10.0	\$314,000	\$573,000	\$796,000	\$990,000	\$1,592,000	\$2,059,000	\$2,494,000

11 Public Trustees (QLD)

11.1 Fund management fees of the Public Trustee of Queensland are based on the [Public Trustee \(Fees And Charges Notice\) \(No.1\) 2014](#):

- a one-off establishment fee of \$5,457 as per clause 13(1)(a)(i).
- personal financial administration fees of \$4,348 per annum as per clause 13(1)(a)(ii) and Schedule 5, on the basis of the maximum number of transactions.
- asset management fees as per clause 13(2) & Schedule 6 of:

Portfolio value	Annual fee (\$ pa)
...	...
\$50,000 to \$100,000	\$663
\$100,000 to \$200,000	\$1,075
\$200,000 to \$300,000	\$1,653
\$300,000 to \$500,000	\$2,317
\$500,000 to \$750,000	\$3,309
\$750,000 to \$1,000,000	\$4,963
\$1,000,000 to \$1,500,000	\$6,452
\$1,500,000 to \$2,000,000	\$8,022
\$2,000,000 to \$2,500,000	\$9,676
\$2,500,000 and greater	\$11,251

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- external investment fees of up to 1.61% per annum as per clause 74 (though for these calculations, I have assumed that investment fees of 1% per annum are more indicative).

11.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 11.2.1 - Public Trustees (QLD)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$50,000	\$93,000	\$133,000	\$171,000	\$324,000	\$482,000	\$653,000
1.0	\$68,000	\$128,000	\$186,000	\$243,000	\$452,000	\$662,000	\$885,000
2.5	\$120,000	\$229,000	\$332,000	\$429,000	\$794,000	\$1,123,000	\$1,446,000
5.0	\$194,000	\$368,000	\$533,000	\$689,000	\$1,248,000	\$1,752,000	\$2,239,000
10.0	\$321,000	\$615,000	\$891,000	\$1,152,000	\$2,090,000	\$2,926,000	\$3,732,000
5% discount rate							
0.5	\$48,000	\$86,000	\$120,000	\$150,000	\$259,000	\$365,000	\$478,000
1.0	\$66,000	\$120,000	\$168,000	\$214,000	\$365,000	\$505,000	\$651,000
2.5	\$116,000	\$214,000	\$302,000	\$381,000	\$645,000	\$859,000	\$1,062,000
5.0	\$188,000	\$344,000	\$485,000	\$611,000	\$1,015,000	\$1,341,000	\$1,647,000
10.0	\$310,000	\$577,000	\$812,000	\$1,023,000	\$1,705,000	\$2,252,000	\$2,761,000
6% discount rate							
0.5	\$47,000	\$83,000	\$114,000	\$141,000	\$235,000	\$325,000	\$421,000
1.0	\$65,000	\$116,000	\$161,000	\$202,000	\$332,000	\$450,000	\$574,000
2.5	\$114,000	\$208,000	\$289,000	\$360,000	\$588,000	\$767,000	\$935,000
5.0	\$185,000	\$334,000	\$464,000	\$577,000	\$925,000	\$1,197,000	\$1,451,000
10.0	\$305,000	\$559,000	\$777,000	\$967,000	\$1,557,000	\$2,014,000	\$2,438,000

12 Public Trustees (ACT)

12.1 Fund management fees of the Public Trustee of ACT are based on their [Scale of Fees](#):

- an initial fee of 1.10%, calculated on the capital invested.
- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- net effective management expense ratios (which I have been advised by the Public Trustee of ACT are typically about 1.76% per annum).

12.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 12.2.1 - Public Trustees (ACT)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$31,000	\$56,000	\$80,000	\$103,000	\$197,000	\$298,000	\$415,000
1.0	\$58,000	\$104,000	\$149,000	\$193,000	\$367,000	\$551,000	\$765,000
2.5	\$141,000	\$250,000	\$357,000	\$461,000	\$875,000	\$1,313,000	\$1,814,000
5.0	\$278,000	\$493,000	\$702,000	\$908,000	\$1,722,000	\$2,582,000	\$3,564,000
10.0	\$552,000	\$978,000	\$1,394,000	\$1,803,000	\$3,417,000	\$5,120,000	\$7,062,000
5% discount rate							
0.5	\$30,000	\$53,000	\$73,000	\$93,000	\$164,000	\$235,000	\$317,000
1.0	\$57,000	\$99,000	\$137,000	\$174,000	\$306,000	\$437,000	\$586,000
2.5	\$137,000	\$237,000	\$330,000	\$416,000	\$732,000	\$1,044,000	\$1,395,000
5.0	\$271,000	\$468,000	\$650,000	\$821,000	\$1,443,000	\$2,056,000	\$2,743,000
10.0	\$538,000	\$929,000	\$1,290,000	\$1,629,000	\$2,865,000	\$4,079,000	\$5,438,000
6% discount rate							
0.5	\$30,000	\$51,000	\$71,000	\$88,000	\$151,000	\$213,000	\$284,000
1.0	\$56,000	\$96,000	\$132,000	\$165,000	\$282,000	\$396,000	\$525,000
2.5	\$135,000	\$231,000	\$318,000	\$397,000	\$677,000	\$947,000	\$1,251,000
5.0	\$268,000	\$456,000	\$626,000	\$783,000	\$1,334,000	\$1,865,000	\$2,460,000
10.0	\$532,000	\$906,000	\$1,244,000	\$1,554,000	\$2,649,000	\$3,701,000	\$4,879,000

12.3 The above figures exclude income commission fees of 5.5% of gross income per annum.

13 Public Trustees (TAS)

13.1 Fund management fees of the Public Trustee of Tasmania are based on their online [Fees and Charges](#):

- a one-off capital commission of:

Portfolio value	Capital commission (%)
Up to \$100,000	2.75%
\$100,000 to \$500,000	2.20%
\$500,000 an over	1.10%

- annual fees for tax returns and administration fees (assumed to be \$750 per annum).
- investment management fees of at least 1.1% per annum (though for these calculations, I have assumed total investment management fee of 1.22% per annum based on a combination of the Public Trustee No. 2 Group Investment Fund and a regular cash reserve Common Fund).

13.2 Based on the fee structure above, indicative uplifts for fund management across a range of initial fund amounts, duration of management and discount rates are:

Table 13.2.1 - Public Trustees (TAS)

Initial fund (\$m)	Duration of management						
	5	10	15	20	40	60	80
3% discount rate							
0.5	\$30,000	\$48,000	\$65,000	\$81,000	\$140,000	\$196,000	\$254,000
1.0	\$51,000	\$83,000	\$113,000	\$142,000	\$250,000	\$351,000	\$455,000
2.5	\$113,000	\$187,000	\$258,000	\$327,000	\$579,000	\$817,000	\$1,058,000
5.0	\$215,000	\$361,000	\$500,000	\$634,000	\$1,128,000	\$1,593,000	\$2,063,000
10.0	\$421,000	\$709,000	\$984,000	\$1,248,000	\$2,226,000	\$3,145,000	\$4,072,000
5% discount rate							
0.5	\$30,000	\$46,000	\$60,000	\$73,000	\$117,000	\$155,000	\$193,000
1.0	\$50,000	\$79,000	\$105,000	\$129,000	\$209,000	\$278,000	\$347,000
2.5	\$110,000	\$178,000	\$240,000	\$296,000	\$485,000	\$648,000	\$808,000
5.0	\$211,000	\$344,000	\$464,000	\$574,000	\$946,000	\$1,265,000	\$1,577,000
10.0	\$411,000	\$675,000	\$913,000	\$1,131,000	\$1,867,000	\$2,498,000	\$3,115,000
6% discount rate							
0.5	\$29,000	\$45,000	\$58,000	\$70,000	\$108,000	\$140,000	\$173,000
1.0	\$49,000	\$77,000	\$101,000	\$123,000	\$193,000	\$252,000	\$311,000
2.5	\$109,000	\$174,000	\$231,000	\$283,000	\$449,000	\$588,000	\$724,000
5.0	\$208,000	\$336,000	\$448,000	\$549,000	\$875,000	\$1,147,000	\$1,412,000
10.0	\$407,000	\$659,000	\$882,000	\$1,080,000	\$1,727,000	\$2,264,000	\$2,789,000

13.3 The above figures exclude income commission fees of 6.6% of gross income per annum.