

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Energy Super

- ES8QW:** Details of each individual asset currently held at a value other than available listed market prices (an unlisted asset) wholly owned by the fund or funds under your control, including:
- a. The asset name and location.
 - b. The frequency of the revaluation of the asset.
 - c. The most recent valuation.
 - d. A copy of that valuation.
 - e. The methodology used for its valuation.
 - f. Whether the valuation was completed internally or externally.
 - g. The details of any external party involved in the valuation.

Answer:

ESI Financial Services Pty Ltd (**ESI FS**).

ESI FS is wholly owned by Electricity Supply Industry (Superannuation) Qld Ltd as trustee of Energy Super.

ESI FS is a service provider to the Trustee. The trustee services include compliance, company secretariat, oversight of investment management and insurance, marketing and communications, contact centre, member seminars and employer relations. All of the staff who work in the Fund's business are employed by ESI FS.

ESI FS also provides financial advice services, including intra-fund advice provided to members and comprehensive financial planning services provided to members and their spouses and relatives.

The trustee services and intra-fund advice services are provided under a fee and expense structure based on a cost recovery model – ESI FS charges fees to the Trustee for these services, determined at a level to cover the costs of operation.

For the component of ESI FS's activities that comprise financial advice services which are comprehensive plans (non-superannuation assets) and advice for non-members, the services are charged to the client. The fee and expense structure is designed as an asset managed for the purpose of generating returns for the Fund over the medium term (and dividends are paid to the Fund from time to time from profits arising from these activities).

The shares in ESI FS owned by the Fund are valued at historical cost: \$621,000. Due to the nature of the business of ESI FS, re-valuations are not required and are not undertaken.