

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### IOOF

<b>IOOF145QW</b>	Please advise the total remuneration package of your: a. company secretary, and b. Chief Executive Officer, including: i. total remuneration ii. base salary iii. annual bonuses iv. deferred bonuses v. equity or other options vi. additional compensation not covered in the above.
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#### Answer:

The Fund does not directly employ a company secretary or Chief Executive Officer. Company Secretarial services are provided by the service provider, ultimately the IOOF Group. The remuneration of the company secretary is paid by the IOOF Group and is not directly charged to the Fund.

Details of the total remuneration package of the Chief Executive Officer were previously provided in response to question IOOF117QW.

However, the Chief Executive Officer subsequently agreed to reduced earnings due to the current environment for the period 1-Aug-20 to 31-Jan-21.

- i. total remuneration \$960,000
- ii. base salary \$938,306
- iii. annual bonuses \$ -
- iv. deferred bonuses LTI up to \$960,000
- v. equity or other options \$ -
- vi. additional compensation not covered in the above \$ -

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#### IOOF

<b>IOOF146QW</b>	For each year of the past decade, please advise the: a. annual remuneration of the average worker who contributes to your fund b. average annual superannuation contribution from an employee to your fund c. multiple your CEO is remunerated compared to the annual remuneration of the average worker who contributes to your fund.
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#### Answer:

a. Annual remuneration data of the average worker who contributes to the fund is not reliably available. Salary is only recorded for the category of corporate members where insurance requires salary details. As at 30/6/20 the fund had 26,651 members where a salary was advised in the previous year (average salary is \$77,467). This is approximately 8.5% of the Funds ~301,000 members.

b.

Financial Year Ended	Average member contribution
2020	\$ 3,027.70
2019	\$ 2,597.21
2018	\$ 2,119.51
2017	\$ 2,043.97
2016	\$ 1,943.53
2015	\$ 1,905.36
2014	\$ 1,630.86
2013	\$ 1,678.95
2012	\$ 1,787.34
2011	\$ 1,752.83

#### Assumptions:

- The part year nature of new entrants and exits will reduce the annual averages i.e. the data has not been annualised.
- Data is at account level; members may hold multiple accounts as we do not record at member level.
- The data does not include roll-ins.
- The data does not include downsizer, personal injury and other edge case deposits e.g. excess foreign fund, transfers from reserves etc.
- Legacy corporate funds (internally transferred into IOOF Employer Super in 2015) have not been included.

c. As noted in the response to IOOF145QW, the Fund does not directly employ a Chief Executive Officer.

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#### IOOF

<b>IOOF147QW</b>	In the context of marketing and advertising campaigns: a. How many is your fund currently running individually, or in collaboration with others? b. How many have run, or are currently running since the beginning of calendar year 2020? c. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) to 30 June 2020? d. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) budgeted? e. What is the budgeted cost for each campaign (including development, production, broadcasting, and distribution) from 1 July 2020 – 31 December 2020? f. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 January 2021 – 30 June 2021? g. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 July 2021 – 31 December 2021?
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#### Answer:

- a. The fund is not currently running any marketing and advertising campaigns individually or in collaboration with others
- b. – e. none
- f. Total budgeted costs: \$100,000  
-IOOF Employer Super and Personal Super member engagement: \$50,000  
-Personalised member videos \$50,000
- g. The budget for the period 1 July 2021 – 31 December 2021 has not been set and will be set in May-June 2021

#### Assumptions/Definitions

- 'Advertising' is delivered through 'above the line' or mainstream media channels (e.g. TV, radio, outdoor, digital display).
- 'Marketing and advertising campaigns' are those which seek to acquire new members or derive positive commercial outcome from existing members.
- Campaigns to advisers are out of scope (even B2B2C as advisers are informed audience who are obligated to act in the best interests of clients).
- Campaigns which provide existing members with general education, updates on fund performance, investment market commentary, Federal Budget commentary are out of scope.
- Campaign costs in-scope include asset development, message distribution or placement, creative/media agency costs.
- Campaign costs out-of-scope include regular full-time staff, foundational technology costs, work completely solely by internal IOOF design and/or digital teams (excluding purchase of imagery), regular member NPS/CSAT research.
- Assumed timing in-scope for question (d) is 1 January to 30 June 2020.

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**IOOF**

<b>IOOF148QW</b>	For each of the following categories, please provide the percentages of employees that are women, men, or who identify otherwise: a. all employees b. non-executive employees c. executive employees d. senior executive employees
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**Answers:**

The Fund does not have any employees. The following details provide information for the IOOF Group:

- a. 49.14% female & 50.86% male
- b. 49.40% female & 50.60% male
- c. 23.81% female & 76.19% male
- d. senior executive employees - IOOF does not differentiate between senior executive and executive employees.

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#### IOOF

<b>IOOF149QW</b>	Do you have a target for the employment of: a. women as a share of: i. all employees? ii. executive employees? iii. senior executive employees? b. people who are gender non-binary as a share of: i. all employees? ii. executive employees? iii. senior executive employees?
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#### Answer:

The following targets for the employment of women are currently under consideration by the IOOF Group.

- i. Maintain: 49%-50%
- ii. 40% in 3 years
- iii. IOOF does not differentiate between senior executive and executive employees. However, our aim is to have 40%+ females in our respective leadership categories.

The group does not have a target for the employment of people who are gender non-binary.

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#### IOOF

<b>IOOF150QW</b>	Since the introduction of SuperStream, which has standardised the transfer of funds, has there been: a. A reduction in the cost to the fund for transferring funds, and if so, by how much? b. A reduction in the fees charged to members reflecting any saving, and if so, by how much?
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#### Answer:

- a. There was a significant initial and ongoing cost to implement the SuperStream technology solution. This cost is considered a medium-term investment as efficiencies are achieved over time. There have also been material changes (legislative and client driven) to the expectations of service standards (for example reducing withdrawals to 3 days). In order to meet these expectations additional operational staff costs have been incurred initially. Over time the introduction of robotic process automation and increased efficiencies are expected to allow IOOF to maintain and deliver increased service expectations under volume pressure and to recover the additional costs of providing that service. Ongoing regulatory change and ongoing enhancements to SuperStream have increased the length of time required to realise business efficiencies.
- b. IOOF Employer Super reviewed fees in April 2018 and made changes to fees for new clients. Exit fees were reduced from \$70 to \$24 on 14/12/18 before being removed on 1 July 2019. The introduction of MySuper generally delivered a reduction in the fees charged to those members. IOOF currently has a program of work underway to migrate members to a single operating platform which will likely deliver a reduction in the fees charged to a broad cohort of members.

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#### IOOF

<b>IOOF151QW</b>	Greenhouse gas emissions a. Does your fund have an internal target for your own greenhouse gas emissions footprint by: i. 2030? ii. 2035? iii. 2040? iv. 2045? v. 2050? b. Does your fund have a target for reducing greenhouse gas emissions from investments by: i. 2030? ii. 2035? iii. 2040? iv. 2045? v. 2050? c. Does your fund intend to divest from investments if they do not reach their greenhouse gas emissions reduction targets by: i. 2030? ii. 2035? iii. 2040? iv. 2045? v. 2050?
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#### Answer:

The fund does not have an internal target for its greenhouse gas emissions footprint or a target for reducing greenhouse gas emissions from investments.

The Fund's criteria for the approval of a managed fund does not include look-through to greenhouse gas emissions within an investment managers portfolio.

The platform investment offering is structured to provide members with breadth of choice across a wide selection of investment options, funds and fund managers. This includes providing members with a selection of ESG/SRI fund options on the platform investment menu into which they may invest.

The IOOF multi-manager investment management offer ensures ESG factors (including greenhouse gas emissions) are considered by underlying investment managers in their investment decision-making processes in order to protect and manage investments for the long term. IOOF has developed core Responsible Investment Beliefs which outline the framework for identifying and managing environmental, social and governance (ESG) impacts, risks and opportunities across the investment portfolios we operate.

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**IOOF**

<b>IOOF152QW</b>	The New Daily a. Have you ever completed a cost benefit analysis of The New Daily to your fund? i. If so, when did you complete this cost benefit analysis? ii. Please provide a copy of the cost benefit analysis. b. Have you ever completed a cost benefit analysis of The New Daily to your members? i. If so, when did you complete your cost benefit analysis of the New Daily to your members? ii. Please provide a copy of the cost benefit analysis.
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**Answer:**

The fund does not subscribe to The New Daily and has not completed a cost benefit analysis of The New Daily.



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#### IOOF

<b>IOOF153QW</b>	Financial advisers remuneration a. Are your financial advisers paid: i. a base salary? ii. non-salaried remuneration, including bonuses? b. Are your financial advisers, who are only remunerated with a base salary, eligible to provide: i. personal advice? ii. general advice
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#### Answer:

- a.
- i. Not applicable as the fund does not employ any financial advisers
  - ii. Not applicable as the fund does not employ any financial advisers
- b.
- i. Not applicable as the fund does not employ any financial advisers
  - ii. Not applicable as the fund does not employ any financial advisers

#### Notes:

- A related company (member of the IOOF group) offers limited financial advice currently provided by a single adviser to members of the fund. The cost of the advice is borne by the service provider.
- For transparency and to provide a complete response, it is noted that the IOOF Group includes significant entities that provide financial advice, both as salaried employees and as non-salaried representatives. Many of those financial advisers provide advice to members of the Fund.

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#### IOOF

<b>IOOF154QW</b>	Have any technology innovations within the fund reduced the cost of operating the fund over the past decade? If so, please outline: a. the technological innovations b. the cost saving c. the cost saving passed through to fees charged to members.
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#### Answer:

Both the Fund and IOOF<sup>1</sup> believe that a reduction in fees charged to members is imminent and is sustainable due to significant financial investment in technology made over the past decade.

As service provider to the Fund, IOOF has and continues to make significant multi-year investment in technological innovation. Developments in technology include moving to a digital customer experience, developing a platform for planned consolidation of offers in the short term (known publicly as Project Evolve), and extensive technological support for our ClientFirst customer service offer. Project Evolve is a program to migrate members to a new operating model.

As an example, IOOF continues to maintain 16 FTE resources dedicated to making incremental improvements to its integrated ClientFirst customer service approach including platform, telephony, workflow and knowledge management, adviser integration, building and maintaining market leading onshore work from home capability.

Significant financial investment in technology has also been made over the past decade to respond to material ongoing changes to the regulatory landscape. It is important to note that IOOF supports changes that deliver improved outcomes for members and provides this list only to illustrate the extensive investment being made.

Examples of regulatory changes over the last five years include, but are not limited to: relief measures including Early Release, minimum pension drawdown, Fair and Sustainable Superannuation Act changes, SuperStream, MySuper, Cooper Inquiry recommendations, ATO MAAS and MATS, initiatives dealing with inactive low-balance super accounts, Royal Commission recommendations such as grandfathered commission removal and Advice annual fee opt-in, and changes to insurance requirements including Protecting Your Super and Putting Members' Interests First.

Technological developments have enabled IOOF to improve the client experience whilst mostly absorbing significant costs associated. IOOF is now on the cusp of delivering lower costs to a broad range of members through the investment made.

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<sup>1</sup> Through IOOF Service Co Pty Ltd which is part of the IOOF Group.

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**IOOF**

<b>IOOF155QW</b>	Valuations		
	a. What data is provided to valuation teams to assess the value of unlisted assets?		
	b. When the fund provides data to valuation teams to assess the value of unlisted assets, does this include internal modelling of asset valuations?		
	c. What assumptions are provided to valuation teams when assessing the value of unlisted assets?		
	d. When valuation teams assess the value of unlisted assets, do they solely take account of past performance?		
	e. When valuation teams assess the value of unlisted assets, what weighting do they take on the projected value of the market for such unlisted assets to inform their valuations?		
	f. For the past decade can you please complete the below table for each unlisted asset valued under your valuation policy		
	<b>Asset class</b>	i.e., Airport	
	<b>Financial year</b>	<b>In-house valuation conducted by</b>	<b>External valuation conducted by</b>
	<b>2010/2011</b>	i.e., Deloitte	i.e., Ernst & Young
	<b>2011/2012</b>		
	<b>2012/2013</b>		
	<b>2013/2014</b>		
	<b>2014/2015</b>		
<b>2015/2016</b>			
<b>2016/2017</b>			
<b>2017/2018</b>			
<b>2018/2019</b>			
<b>2019/2020</b>			

**Answer:**

The Funds MySuper offer has no direct exposure into unlisted assets. Responses to the valuation questions are therefore not applicable.

Note: The Funds MySuper offering invests into unlisted schemes managed by 3<sup>rd</sup> parties. Unlisted assets in this context are defined as investments not listed in any exchange or tradeable in open market and can include private equity, direct property and private credit.

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**IOOF**

<b>IOOF156QW</b>	<p>In the Financial Services Royal Commission documentation an 'Audit and Risk Management Committee' paper was compiled for CBUS ('Review of payments made to sponsoring organisations' — <a href="https://financialservices.royalcommission.gov.au/publichearings/Documents/Additional-exhibits-round-5/EXHIBIT5.368.pdf">https://financialservices.royalcommission.gov.au/publichearings/Documents/Additional-exhibits-round-5/EXHIBIT5.368.pdf</a>).</p> <p>Please advise how many times, over the last decade, such a paper, or equivalent, has been prepared for:</p> <ol style="list-style-type: none"><li>a. your Board?</li><li>b. Board subcommittee?</li><li>c. executive management?</li></ol>
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**Answer:**

No such paper or equivalent has been prepared for any of the parties noted as IOOF does not make payments to sponsoring organisations.

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**IOOF**

<b>IOOF157QW</b>	Over the past decade, how many non-disclosure agreements have you agreed to in relation to: a. human resources issues? b. sexual harassment issues?
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**Answer:**

The Fund does not have any direct employees.

In relation to IOOF Group, there is no central register of non-disclosure agreements or deeds agreed with employees in the organisation. Typically, a small number of senior executives are involved in resolving human resources issues, and information is contained securely on the relevant employees file. Administratively, it would be significantly burdensome to review all employee files to identify whether any have been put in place in the past decade.

- a. Deeds are executed on occasion, typically in relation to exit arrangements for employees, which may contain non-disclosure or confidentiality clauses.
- b. To our knowledge, no NDA's or deeds have been put in place in relation to sexual harassment.

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**IOOF**

<b>IOOF158QW</b>	Do you use an internal clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund? If so: a. What is the name of the clearing house b. Why do you use a clearing house? c. How much does it cost annually to use the clearing house? d. How much does it cost annually to each member to use the clearing house? e. What happens to interest accrued from funds held in the clearing house? f. What happens to non-interest income and/or capital gains accrued from funds held in the clearing house?
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**Answer:**

No

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<b>IOOF159QW</b>	Do you use an external clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund? If so: a. What is the name of the clearing house? b. Who owns the clearing house? c. Why do you use an external clearing house? d. How much does it cost annually to use the external clearing house? e. How much does it cost annually to each member to use the external clearing house? f. What happens to non-interest income and/or capital gains accrued from funds held in the external clearing house?
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#### Answer:

- a. SuperChoice Services Pty Ltd
- b. SuperChoice Services Pty Ltd is privately owned and not aligned to any superannuation funds.
- c. Prior to clearing houses becoming mandatory for superannuation payments, ServiceCo utilised the SuperChoice clearing house facilities for our Corporate & Employer groups. ServiceCo considered the option of developing a clearing house as well as several potential vendors including SuperChoice. The Fund selected SuperChoice as provider after consideration. We note Industry practice has evolved not to internally develop a proprietary clearing house, but to utilise specialist clearing house vendors.
- d. Confidential
- e. Nil. The cost is not directly passed onto members.
- f. There are no non-interest income and/or capital gains accrued from funds held in the clearing house. Importantly, the full employer contribution is passed to the members account.

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**IOOF**

<b>IOOF160QW</b>	<p>If you use an internal clearing house, please outline when money is received into the clearing house:</p> <ul style="list-style-type: none"><li>a. On average, how long does it stay in the clearing house before it:<ul style="list-style-type: none"><li>i. is allocated to a member's account and/or fund?</li><li>ii. is allocated to purchase units for a member's account and/or fund?</li><li>iii. appears in a member's account and/or fund statement and/or online record?</li></ul></li><li>b. What is the longest time that it has stayed in the clearing house before it:<ul style="list-style-type: none"><li>i. is allocated to a member's account and/or fund?</li><li>ii. is allocated to purchase units for a member's account and/or fund?</li><li>iii. appears in a member's account and/or fund statement and/or online record?</li></ul></li><li>c. What is the shortest time that it has stayed in the clearing house before it:<ul style="list-style-type: none"><li>i. is allocated to a member's account and/or fund?</li><li>ii. is allocated to purchase units for a member's account and/or fund?</li><li>iii. appears in a member's account and/or fund statement and/or online record?</li></ul></li><li>d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:<ul style="list-style-type: none"><li>i. the individual member's account and/or fund?</li><li>ii. a different account and/or fund? If so, what is its name?</li></ul></li><li>e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:<ul style="list-style-type: none"><li>i. the individual member's account and/or fund?</li><li>ii. a different account and/or fund? If so, what is its name</li></ul></li></ul>
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**Answer:**

Not applicable.



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<b>IOOF161QW</b>	If you use an external clearing house, please outline when money is received into the clearing house: a. On average, how long does it stay in the clearing house before it: i. is allocated to a member's account and/or fund? ii. is allocated to purchase units for a member's account and/or fund? iii. appears in a member's account and/or fund statement and/or online record? b. What is the longest time that it has stayed in the clearing house before it: i. is allocated to a member's account and/or fund? ii. is allocated to purchase units for a member's account and/or fund? iii. appears in a member's account and/or fund statement and/or online record? c. What is the shortest time that it has stayed in the clearing house before it: i. is allocated to a member's account and/or fund? ii. is allocated to purchase units for a member's account and/or fund? iii. appears in a member's account and/or fund statement and/or online record? d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to: i. the individual member's account and/or fund? ii. a different account and/or fund? If so, what is its name? e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to: i. the individual member's account and/or fund? ii. a different account and/or fund? If so, what is its name?
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#### Answer:

- a i. The length of time monies stays in the clearing house depends on the Bulk Electronic Payment System (BECS) approved payment method chosen.
- For Employers paying via Direct Credit and BPAY the money is in the clearing house account over-night. This is the minimum time possible within the banking system.
  - For employers paying via Direct Debit the money is in the Clearing house for 3 nights. This is the time a Direct Debit payment takes to clear the banking system.
- Payments can only be allocated to the member account after they have been received by the fund. We allocate payments to a member account within 3 days of the receipt of both contribution data and the associated payment. The quality of data provided my impact allocation time.
- ii. The monies receive cash interest from date of receipt in our bank account to date allocated to member accounts. The members investment instructions are used to purchase units the following business day
- iii. As soon as its allocated to members account, which is usually 1-3 days
- b i. The length of time monies stays in the clearing house depends on the Bulk Electronic Payment System (BECS) approved payment method chosen.

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- For Employers paying via Direct Credit and BPAY the money is in the clearing house account over-night. This is the minimum time possible within the banking system.
- For employers paying via Direct Debit the money is in the Clearing house for 3 nights. This is the time a Direct Debit payment takes to clear the banking system.

Payments can only be allocated to the member account after they have been received by the fund. The effective date we allocate to the members account is date of receipt of the monies into our bank account. We allocate payments to a member account within 3 days of the receipt of both contribution data and the associated payment.

- ii. The monies receive cash interest from date of receipt in our bank account to date allocated to members account. We allocate payments to a member account within 3 days of the receipt of both contribution data and the associated payment. The members investment instructions are used to purchase units the following business day.

The longest time assuming receipt of all valid information would be 7 business days:

- 3 days at clearing house for direct debit funds to clear.
- 3 days to allocate to allocate to members account.
- 1 day to purchase units.

- iii. The longest time would be 6 business days:

- 3 days at clearing house for direct debit funds to clear.
- 3 days to allocate to allocate to members account.

- c i. The length of time monies stays in the clearing house depends on the Bulk Electronic Payment System (BECS) approved payment method chosen.

- For Employers paying via Direct Credit and BPAY the money is in the clearing house account over-night. This is the minimum time possible within the banking system.
- For employers paying via Direct Debit the money is in the Clearing house for 3 nights. This is the time a Direct Debit payment takes to clear the banking system.

Payments can only be allocated to the member account after it has been received by the fund. The effective date we allocate to the members account is date of receipt of the monies into our bank account. The shortest time would be 2 business days:

- 1 day where direct credit or BPAY is used by employer.
- 1 day to allocate to members account.

- ii. The monies receive cash interest from date of receipt in our bank account to date allocated to members account. We allocate payments to a member account within 3 business days of the receipt of both contribution data and the associated payment. The members investment instructions are then run to buy units the following business day. The shortest time assuming receipt of all valid information would be 3 business days:

- 1 day where direct credit or BPAY is used by employer.
- 1 day to allocate to members account.
- 1 day to purchase units.

- iii. As soon as its allocated to members account. The shortest time would be 2 days:

- 1 day where direct credit or BPAY is used by employer.
- 1 day to allocate to members account.

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- d i. This amount is retained by the provider of the clearing house service. Any interest earnings are declared within the PDS to employers. It is not until the payment has been received by the super fund, that member interest is earned.
- ii. This amount is retained by the provider of the clearing house service not IOOF. Any interest earnings are declared in information provided to employers.
- e i. Only the payment becomes a member entitlement upon receipt by the super fund.
- ii. There are no non-interest income and/or capital gains accrued from funds held in the external clearing house.

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SUPERANNUATION SECTOR**

**IOOF**

<b>IOOF162QW</b>	<p>During the first half of 2020 there were significant market movements because of the economic response to the COVID-19 pandemic. Please complete the following table outlining the total payouts and losses in foreign exchange hedging.</p> <table border="1" data-bbox="671 551 1155 978"> <thead> <tr> <th data-bbox="671 551 831 611">Month in 2020</th> <th data-bbox="831 551 995 611">Payouts for FOREX hedges (\$)</th> <th data-bbox="995 551 1155 611">Losses for FOREX hedges (\$)</th> </tr> </thead> <tbody> <tr> <td data-bbox="671 611 831 672">January</td> <td data-bbox="831 611 995 672"></td> <td data-bbox="995 611 1155 672"></td> </tr> <tr> <td data-bbox="671 672 831 732">February</td> <td data-bbox="831 672 995 732"></td> <td data-bbox="995 672 1155 732"></td> </tr> <tr> <td data-bbox="671 732 831 792">March</td> <td data-bbox="831 732 995 792"></td> <td data-bbox="995 732 1155 792"></td> </tr> <tr> <td data-bbox="671 792 831 853">April</td> <td data-bbox="831 792 995 853"></td> <td data-bbox="995 792 1155 853"></td> </tr> <tr> <td data-bbox="671 853 831 913">May</td> <td data-bbox="831 853 995 913"></td> <td data-bbox="995 853 1155 913"></td> </tr> <tr> <td data-bbox="671 913 831 978">June</td> <td data-bbox="831 913 995 978"></td> <td data-bbox="995 913 1155 978"></td> </tr> </tbody> </table>	Month in 2020	Payouts for FOREX hedges (\$)	Losses for FOREX hedges (\$)	January			February			March			April			May			June		
Month in 2020	Payouts for FOREX hedges (\$)	Losses for FOREX hedges (\$)																				
January																						
February																						
March																						
April																						
May																						
June																						

**Answer:**

Month in 2020	Payouts for FOREX hedges (\$)	Losses for FOREX hedges (\$)
January	\$2,675,727	
February	\$ -	\$1,412,529
March	\$ -	\$22,740,460
April	\$ -	\$11,725,683
May	\$ -	\$2,657,812
June	\$18,999,046	\$ -

- The Fund has not incurred material payouts and losses on foreign exchange hedging directly.
- For completeness this answer reflects payouts and losses on foreign exchange hedging experienced by underlying funds into which the RSE invests, on behalf of its MySuper offer, on a look-through basis.
- It is noted that losses on foreign exchange hedges are generally balanced by physical holdings of the respective currency, and recent exchange rate movements (\$AUD appreciation) have largely reversed earlier negative positions.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

IOOF

<b>IOOF163QW</b>	Assuming a young Australian whose birthday was 1 July 1989, got their first job on 1 July 2005, opened a default superannuation account on 1 July 2005, made the average contribution of a person in that age bracket, using the default product offer made at that time and made no additional contributions, received the average growth, paid all fees, insurances and deductibles, please complete the following table.							
	Age	Financial year	Annual average income of fund members from that age bracket in that year (\$)	Average Compulsory superannuation contribution in that year (%) of income	Resulting average annual superannuation contribution made (\$)	All fees, insurances, indirect cost ratios and other deductibles not classified as fees (\$)	Average growth in that year (\$)	Balance at the end of that year (\$)
	16	2005/2006	i.e. Someone who was 16 in 2005/2006 financial year	i.e. 9 per cent	i.e. 9 per cent of column 3	i.e. the totals deducted	i.e. growth on the balance reflecting the time reality of growth and when fees are deducted	i.e. The total balance for that account at the end of the financial year once growth and fees have affected the balance
	17	2006/2007						
	18	2007/2008						
	19	2008/2009						
	20	2009/2010						
	21	2010/2011						
	22	2011/2012						
	23	2012/2013						
	24	2013/2014						
	25	2014/2015						
	26	2015/2016						
	27	2016/2017						
	28	2017/2018						
29	2018/2019							
30	2019/2020							
<b>Totals</b>				i.e. The sum total of the cells above	i.e. The sum total of the cells above	i.e. The sum total of the cells above	i.e. The final balance	

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### IOOF

#### IOOF 163QW Answer:

Age	Financial year	Annual average income of fund members from that age bracket in that year (\$)	Average Compulsory superannuation contribution in that year (%) of income	Resulting average annual superannuation contribution made (\$)	All fees, insurances, indirect cost ratios and other deductibles not classified as fees (\$)	Average growth in that year (\$)	Balance at the end of that year (\$)
16	2005/2006	\$13,291	9%	\$1,196	\$156	\$51	\$919
17	2006/2007	\$13,837	9%	\$1,245	\$168	\$159	\$1,987
18	2007/2008	\$14,399	9%	\$1,296	\$182	(\$208)	\$2,732
19	2008/2009	\$15,007	9%	\$1,351	\$193	(\$324)	\$3,407
20	2009/2010	\$15,600	9%	\$1,404	\$202	\$369	\$4,820
21	2010/2011	\$47,266	9%	\$4,254	\$236	\$507	\$8,793
22	2011/2012	\$49,054	9%	\$4,415	\$289	\$31	\$12,427
23	2012/2013	\$50,842	9%	\$4,576	\$337	\$1,653	\$17,820
24	2013/2014	\$52,538	9.25%	\$4,860	\$409	\$1,802	\$23,604
25	2014/2015	\$53,913	9.50%	\$5,122	\$486	\$1,903	\$29,711
26	2015/2016	\$55,197	9.50%	\$5,244	\$529	\$1,158	\$35,145
27	2016/2017	\$56,389	9.50%	\$5,357	\$505	\$2,809	\$42,274
28	2017/2018	\$57,489	9.50%	\$5,461	\$562	\$3,743	\$50,419
29	2018/2019	\$58,635	9.50%	\$5,570	\$626	\$3,930	\$58,840
30	2019/2020	\$60,011	9.50%	\$5,701	\$705	\$322	\$63,746
<b>Totals</b>				<b>\$57,052</b>	<b>\$5,584</b>	<b>\$17,906</b>	<b>\$63,746</b>

#### Assumptions:

- Annual average income is sourced from the ABS, using the latest published average weekly cash earnings and adjusted by the Price Wage index.
- Resulting average contributions is gross of tax.
- Fees consist of % asset-based fees and \$ dollar-based fees.
- Pre 2016, IOOF Employer Super default option United Capital Balanced was used, then MySuper from 2016.