

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Intrust Super

IN101QW:

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.

Answer:

a. Company Secretary as at 9/10/2020

- i. \$254,352
- ii. \$227,100
- iii. Entitlement 0% to 10% upon specific organisational balanced scorecard based KPIs.
- iv. NIL
- v. NIL
- vi. NIL

Company Secretary Role is included in the responsibilities of the Executive Manager Finance and Business Operations and Company Secretary.

b. Chief Executive Officer as at 9/10/2020

- i. \$527,700
- ii. \$485,700
- iii. NIL
- iv. NIL
- v. NIL
- vi. Retention Bonus of \$25,920 paid in August 2020.

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IN102QW:

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.

Answer:

a., b., and c.

FIN YEAR	Question A*	Question B	Question C
FY2011	\$50,980.57	\$ 2,756.94	6.87
FY2012	\$54,894.81	\$ 3,037.29	6.69
FY2013	\$58,556.58	\$ 3,145.34	6.60
FY2014	\$61,609.02	\$ 3,437.47	6.52
FY2015	\$63,787.42	\$ 3,625.16	6.51
FY2016	\$65,025.75	\$ 3,726.33	6.69
FY2017	\$68,124.41	\$ 3,837.54	6.69
FY2018	\$70,748.64	\$ 3,955.11	6.83
FY2019	\$72,602.37	\$ 4,050.93	6.87
FY2020	\$74,212.45	\$ 4,088.71	6.99

*Average Annual Remuneration – Remuneration plus SG Super.

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IN103QW:

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?

Answer:

- a. 1
- b. 31

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IN104QW:

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.

Answer:

- a. Female 49%, Male 51%, otherwise identified 0%
- b. Female 17%, Male 83%, otherwise identified 0%
- c. Female 40%, Male 60%, otherwise identified 0%
- d. Included in answer c as there are only 5 employees classified as Executive or above

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IN105QW:

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?

Answer:

- a.
 - i. No
 - ii. No
 - iii. No
- b.
 - i. No
 - ii. No
 - iii. No

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IN106QW:

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?

Answer:

- a.
- b. No

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Intrust Super

IN107QW:

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?

Answer:

- a.
 - i. no
 - ii. no
 - iii. no
 - iv. no
 - v. no
- b.
 - i. no
 - ii. no
 - iii. no
 - iv. no
 - v. no
- c.
 - i. no
 - ii. no
 - iii. no
 - iv. no
 - v. no

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Intrust Super

IN108QW:

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.

Answer:

- a. Not Applicable as Intrust Super is not an investor in The New Daily.
- b. Not Applicable as Intrust Super is not an investor in The New Daily.

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IN109QW:

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?

Answer:

- a.
 - i. Yes
 - ii. Yes, entitlement range is 0% to 10% of base salary upon meeting specific organisational and team balanced scorecard based KPIs.
- b.
 - i. Yes
 - ii. Yes

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IN110QW:

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

Answer:

Q a.	Q b.	Q c.
SM2	Unknown – not tracked.	Nil
Super Blueprint (digital advice service) – conducts risk profiling and fact finding and delivers Statement of Advice to members.		Nil
Contact Centre telephony system upgrade		Nil
Adoption of data analytics and various digital communication platforms		Nil

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IN111QW:

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.

Asset class	i.e., Airport	
Financial year	In-house valuation conducted by	External valuation conducted by
2010/2011	i.e., Deloitte	i.e., Ernst & Young
2011/2012		
2012/2013		
2013/2014		
2014/2015		
2015/2016		
2016/2017		
2017/2018		
2018/2019		
2019/2020		

Answer:

- a. Proof of Income and expenses are provided to the valuer.
- b. No
- c. The valuer appointed is an external independent and does not consider any internal modelling conducted by the Fund.
- d. No
- e. The external valuer considers current and projected rental income, current and projected vacancy levels and recent sales of similar properties when calculating the value of the property.

f.

Asset class	Direct Property	
Financial year	In-house valuation conducted by	External valuation conducted by
2010/2011	n/a	n/a
2011/2012	n/a	Chestertons
2012/2013	n/a	Chestertons
2013/2014	n/a	Chestertons
2014/2015	n/a	Chestertons
2015/2016	n/a	M3 Property Strategists
2016/2017	n/a	Chestertons
2017/2018	n/a	Chestertons
2018/2019	n/a	Chestertons
2019/2020	n/a	Savills

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IN112QW:

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'—

<https://financialservices.royalcommission.gov.au/publichearings/Documents/Additional-exhibits-round-5/EXHIBIT-5.368.pdf>).

Please advise how many times, over the last decade, such a paper, or equivalent, has been prepared for:

- a. your Board?
- b. a Board subcommittee?
- c. executive management?

Answer:

- a. 2
- b. 3
- c. 3

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Intrust Super

IN113QW:

Over the past decade, how many non-disclosure agreements have you agreed to in relation to:

- a. human resources issues?
- b. sexual harassment issues?

Answer:

- a. 5
- b. Nil

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Intrust Super

IN114QW:

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?

Answer:

N/A - The Fund does not use an internal clearing house.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Intrust Super

IN115QW:

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?

Answer:

- a. Super Clearing House Online (SCH Online)
- b. SCH Online is operated by The Superannuation Clearing House Pty Limited, a corporate authorised representative of the product issuer, Pacific Custodians Pty Limited.
- c. The Clearing House facilitates compliance with SuperStream standards and allows payment and processing of superannuation contributions. Using the outsourced administrator's clearing house provides efficient processing, better cost management and technical clearing house management capabilities.
- d. The Clearing House cost is included within the standard administration service agreement offering.
- e. There are no costs passed onto Members.
- f. There is no other non-interest income.

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SUPERANNUATION SECTOR**

Intrust Super

IN116QW:

If you use an internal 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?

Answer:

N/A - The Fund does not use an internal clearing house.

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Intrust Super

IN117QW:

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?
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 - 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?

Answer:

- a.
 - i. 1 business day
 - ii. 1 business day
 - iii. 1 business day
- b.
 - i. 3 business days
 - ii. 3 business days
 - iii. 3 business days
- c.
 - i. Same day
 - ii. Same day
 - iii. Same day
- d.
 - i. No
 - ii. Any incidental interest earned on the bank account during clearing is retained by the Superannuation Clearing House

- e.
 - i. There is no other non-interest related income
 - ii. N/A

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IN118QW:

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.

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	Nil	Nil
February	Nil	Nil
March	Nil	\$12,833,402.05
April	Nil	Nil
May	Nil	Nil
June	\$9,431,763.57	Nil

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IN119QW:

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		
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						
Totals				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

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 **	18,508	9.00%	1,666	484	177	1,359
17	2006/2007	18,508	9.00%	1,666	485	457	2,997
18	2007/2008	23,263	9.00%	2,094	577	(258)	4,256
19	2008/2009	26,607	9.00%	2,395	641	(850)	5,160
20	2009/2010	30,088	9.00%	2,708	724	746	7,890

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 (\$)
21	2010/2011	35,742	9.00%	3,217	912	872	11,067
22	2011/2012	40,521	9.00%	3,647	1,004	36	13,746
23	2012/2013	45,160	9.00%	4,064	1,095	2,542	19,257
24	2013/2014	49,967	9.25%	4,622	1,253	3,206	25,832
25	2014/2015	54,723	9.50%	5,199	1,391	3,322	32,962
26	2015/2016	57,725	9.50%	5,484	1,474	1,331	38,303
27	2016/2017	62,948	9.50%	5,980	1,632	5,246	47,897
28	2017/2018	66,313	9.50%	6,300	1,671	5,536	58,062
29	2018/2019	69,620	9.50%	6,614	1,731	3,594	66,539
30	2019/2020	73,755	9.50%	7,007	1,891	(351)	71,304
Totals				62,663	16,965	25,606	71,304

* The Fund does not keep information on members income. The annual average income of Fund members has been estimated based on superannuation guarantee contribution data.

** There was insufficient data to estimate 16 year old salary in 2005/06. Therefore, an estimate has been used based 2006/07 data.

*** Insurance premiums have been deducted based on default levels of insurance in that year and includes contribution tax deducted from member accounts