

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**LUCRF Super**

**LUC136QW** Please provide as separated data, what the base salary and bonuses were, or are set to be, paid in the 2019/2020 and 2020/21 financial year for your:

- a. Chief Executive Officer or equivalent?
- b. Chief Investment Officer or equivalent?

**Answer:** Details of the remuneration of LUCRF's Chief Executive Officer and Head of Investments is available on LUCRF's website which is accessible at: <https://www.lucrf.com.au/governance>. LUCRF's Chief Executive Officer and Chief Investment Officer did not receive bonuses.

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**LUC137QW** Do you support superannuation funds delisting public companies?

**Answer:** LUCRF does not directly hold shares in publicly listed companies and is therefore not involved in decisions regarding delisting public companies.

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**LUC138QW** Property investments

- a. Do you have any current investments in the National Housing Finance and Investment Corporation? If so, what is the size of your investments?
- b. Please provide information on the rental income for any residential property investments held for each year for the last five financial years.

**Answer:** LUCRF does not hold any residential property investments or investments in the National Housing Finance and Investment Corporation.

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**LUC139QW** Subscriptions to The New Daily

a. Has your fund ever considered subscribing your members to The New Daily through an opt-out model? If so:

- i. Was this proposed initially internally, or externally?
- ii. Who proposed it?
- iii. Who approved it?
- iv. What was the approval process?
- v. What legal advice was sought?
- vi. On what date did it proceed, or is it proposed to proceed?

b. Have the following groups ever enquired or requested your fund to subscribe your members to The New Daily:

- i. Industry Super Holdings?
- ii. The New Daily?

**Answer:** New LUCRF members are offered a subscription in The New Daily through an opt-out model. This was considered and approved by management and the Board, having considered obligations arising under relevant laws.

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**LUC140QW** What arrangements, including donations, commissions, marketing expenditure or partnerships, do you have that lead to payments to research organisations or 'think tanks'?

Please provide:

- a. Names of the think tanks.
- b. Payments made over the last five years.

**Answer:** LUCRF does not have arrangements with any entities it considers to be 'think tanks'.

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**LUC141QW** According to the Australian Financial Review (IFM's Tandem leaves workers in the lurch, 7 July 2021), IFM Investors have invested in a business that has left them wholly owning a subsidiary, Tandem Networks, that avoids them paying out the full entitlements of subcontractor. Therefore, if you are an owner of IFM Investors:

- a. Do you think it is acceptable that an investment made by your investment vehicle dishonours contractual arrangements with subcontractors?
- b. What inquiries have been made to ensure that subcontractors are being paid?
- c. What steps do you expect IFM Investors to go through should they not honour entitlements to subcontractors?
- d. Would you divest from IFM Investors should they not honour entitlements to subcontractors?

**Answer:** LUCRF is a minority shareholder in Industry Super Holdings, the holding company of IFM Investors. LUCRF is not an owner of IFM Investors.

LUCRF is also not an investor in the IFM private equity fund that invested in Tandem and is not privy to the commercial terms or decisions regarding this investment. LUCRF is not therefore in a position to comment on the decisions made, or the actions taken, in relation to Tandem.

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**LUC142QW** At the House Economics superannuation hearing on 8 July 2021 representatives of Australian Super and CBUS outlined they were not aware that IFM Investors (a company wholly owned by industry funds) had paid a bonus of \$12m, and were asked whether they had asked questions about the bonus and the bonus structures within IFM Investors.

According to the Australian Financial Review (IFM Investors gives \$12.7m bonus to UK Director, 14 February 2020) a bonus of \$12.7 million bonus was paid.

According to the Sydney Morning Herald (A lot of bling: Industry shocked at \$36 million bonus allegation, 22 March 2019) bonus structures existed to allow for bonuses of up to \$36m to be paid.

Therefore, if you are an owner of IFM Investors, please advise:

a. What inquiries have been made, or will be made, about bonuses of that size with IFM Investors?

b. What information you have sought, or will seek, from IFM investors about bonus structures within IFM Investors?

**Answer:** LUCRF does not directly own IFM Investors. LUCRF has no involvement in the remuneration practices of IFM Investors.