

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

LEGALSUPER

LEG136QW: 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: The base salaries for legalsuper's Chief Executive Officer and Chief Investment Officer roles are shown below. Please note no bonuses were paid.

- a. Chief Executive Officer or equivalent?
 - 2019/2020 \$ 485,054.31
 - 2020/2021 \$ 494,756.62
- b. Chief Investment Officer or equivalent?
 - 2019/2020 \$ 322,904.71
 - 2020/2021 \$ 307,400.55

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LEG137QW: Do you support superannuation funds delisting public companies?

Answer: legalsuper does not have a policy on super funds delisting public companies.

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LEG138QW:

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:

- a. legalsuper does not have any current investments in the National Housing Finance and Investment Corporation.
- b. legalsuper does not invest in residential property.

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LEG139QW: 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:

- a) legalsuper was approached about subscribing our members to The New Daily. After consideration, we decided to not subscribe our members to The New Daily.
- b) legalsuper was approached by Industry Super Holdings. After consideration, we decided to not subscribe our members to The New Daily.

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LEG140QW: 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: a) legalsuper has been a member of superannuation industry associations including AIST, ASFA and ISA.

b) Payments made over the last five years.

	2021	2020	2019	2018	2017
AIST	\$ 35,107.82	\$ 24,602.81	\$ 26,100.00	\$ 22,360.00	\$ 18,347.00
ASFA	*	\$ 25,279.62	\$ 26,576.00	\$ 24,886.00	\$ 23,929.00
ISA	\$ 122,265.40	\$ 122,742.94	\$ 132,697.46	\$ 124,669.00	\$ 122,104.92
* ASFA - ceased membership					

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- LEG141QW:** 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: legalsuper does not hold an ownership interest in IFM Investors

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LEG142QW:

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:

legalsuper does not hold an ownership interest in IFM Investors