

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR02QW:

Question in writing No.	Member	Question
SPIR02QW	Wilson	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:

Executive remuneration is publicly available in the fund's annual report for 2019/20 at <https://spiritsuper.com.au/about-us/governance>

The fund's 2020/21 annual report will be released in coming months.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR03QW:

Question in writing No.	Member	Question
SPIR03QW	Wilson	Do you support superannuation funds delisting public companies?

Answer:

We do not have a specific policy on public-to-private transactions. We consider all investments based on their prospective reward for risk and members best long-term interests. The main focus of our Australian private equity strategy is smaller, growth capital opportunities rather than larger public-to-private transactions.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR04QW:

Question in writing No.	Member	Question
SPIR04QW	Wilson	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. No
- b. Residential Property is not a material part of our strategy. Any prior investments in this sector have been development projects in which lots are sold on completion and therefore not held for post-completion rental income.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR05QW:

Question in writing No.	Member	Question
SPIR05QW	Wilson	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. No
- b. No

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR06QW:

Question in writing No.	Member	Question
SPIR06QW	Wilson	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:

We are unclear on the definition of research organisations and "think tanks" and are unable to respond as to how an arrangement with one party may lead to a payment from that party to another.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR07QW:

Question in writing No.	Member	Question
SPIR07QW	Wilson	<p>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:</p> <ul style="list-style-type: none">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:

Spirit Super was not an investor in the private equity fund that held Tandem Networks.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Spirit Super

SPIR08QW:

Question in writing No.	Member	Question
SPIR08QW	Wilson	<p>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.</p> <p>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.</p> <p>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.</p> <p>Therefore, if you are an owner of IFM Investors, please advise:</p> <p>a. What inquiries have been made, or will be made, about bonuses of that size with IFM Investors?</p> <p>b. What information you have sought, or will seek, from IFM investors about bonus structures within IFM Investors?</p>

Answer:

Performance based remuneration structures are very common across the global asset management industry.

Remuneration of key investment professionals is considered as part of the due diligence process of all fund manager selection to ensure strong alignment and, generally speaking, large bonus style payments are only considered in circumstances where the fund manager delivers very high returns to members.