Senate Economics References Committee

Inquiry into improving consumer experiences, choice, and outcomes in Australia's retirement system

Rest Super – Responses to further questions on notice from the Chair

(Questions received on 28 February 2025)

Governance

1. **How many, and what percentage, of REST's board are union appointed?**
2. **How many of REST's board directors are non-executive independent directors?**
3. **Is every other REST board director position sponsored?**
4. **The Chair is appointed by the Board?**

As an equal representation board, four of Rest's nine trustee directors are nominated by the Member Sponsor and four are nominated by Employer Sponsors. One director is appointed by the Board as an independent director and Chair.

5. **REST Chair, James Merlino, is the former Victorian Deputy Premier under the Andrews' Labor Government. Did you consider Mr Merlino's management of Victoria's COVID response prior to his appointment?**

As outlined in Rest's previous responses to questions on notice from the Committee, Mr Merlino was appointed as an Independent Director and Chair of the Board following an extensive leadership search. He took up the position on 1 January 2023.

The Board set up a Chair Nomination Committee in 2022 comprising four Directors with an equal split of member-sponsored and employer-sponsored Directors who considered the appropriate skills and experience in relation to the appointment. Mr Merlino was appointed by the Board following a comprehensive market analysis, which included engaging an external advisory agency alongside a Board selection process.

Relevant skills, knowledge and experience were considered in relation to the appointment.

6. **In comments to the AFR in August 2024, Mr Samuel said:**

   "It's a very powerful position to hold as Chair. It sets the tone and culture of the organisation. If they've got a tendency or history towards supporting certain groups, then you've got a problem. And Wayne Swan is the perfect example of a political operative, so then you've got to question the absolute independence of the chair."

   Would this assessment of Wayne Swan apply to James Merlino as Victoria Deputer *[sic]* Premier under the Andrews' Government, being appointed by a board full of union representatives?

To the extent that the question seeks to cast doubt over the independence of Rest's Chair, Rest rejects this suggestion.

7. **Who sits on your Risk Committee?**
8. **What are the qualifications and experience of the Risk Committee members?**

The current Board members who sit on Rest's Board Risk Committee are Dr Adam Walk (Chair), Catherine Bolger, Vaughn Richtor, Joanne Lester and James Merlino.

A summary of the qualifications and experience of Rest Board members can be found here.

Australian Superannuation Investment Summit in the United States, February 2025

1. **Were you represented directly?**
2. **Who attended, if so?**

Rest was represented at the Australian Superannuation Investment Summit in the USA in February 2025 (**the Summit**).

Rest's Co-Chief Investment Officer, Simon Esposito, attended the Summit on Rest's behalf.

3. **Who invited you to attend?**

Rest was invited to attend the Summit by Kevin Rudd AC, Ambassador to the United States, and Heather Ridout AO, Consul General, New York.

4. **Who organised the Summit?**

Rest understands the Summit was organised by Australian Government officials via the Embassy of Australia, Washington and the Australian Consulate-General New York.

5. **Please provide total costs of attending?**

Costs associated with attending the Summit also encompassed other engagements separate to the Summit, including meeting with Rest's investment manager partners in the United States.

The total costs incurred by Rest in meeting with Rest's US investment managers and attending the Summit amounted in total to $28,448 (excl GST), including travel, accommodation and incidentals. If 50% of these costs were to be attributed to the Summit the attributed amount would be $14,224 (excl. GST).

Engagement with investment leaders, investment managers, policy-makers and other relevant stakeholders is considered essential to the responsible management of our members' funds, and a standard operating cost of managing and overseeing our US assets, manager relationships and considering prospective investment opportunities.

6. **Did any of your industry associations attend? If so, which ones?**

Representatives from the Association of Superannuation Funds of Australia (**ASFA**), the Super Members Council of Australia (**SMC**) and the Australian Council of Superannuation Investors (**ACSI**) attended the Summit.

7. **Please supply the total membership subscription figures to each association attending?**

Rest's membership fees to ASFA, SMC and ACSI for the financial year 2023-24 were:

Entity	**Membership fee (excl GST)**
ASFA	$85,800
SMC	$702,000
ACSI	$351,514

8. **Did you contribute directly or indirectly to the superannuation documentary?**
9. **If so, who have you provided funding to in order to produce the documentary?**
10. **Was a BFID assessment undertaken? If so, please provide.**
11. **If so, was legal advice sought on the BFID of contributing to the documentary?**

Assuming the reference to a documentary is the documentary referred to in this media article, Rest did not contribute to the documentary.

Questions 9 to 11 are not applicable as Rest did not contribute to the documentary.

12. **Has any government assistance been provided in attending? eg DFAT or Austrade.**

No monetary assistance was provided by the Australian Government to Rest to attend the Summit. Coordination, organisation and logistical assistance were provided.

13. **Have any ROI calculations been undertaken on attending the summit and/or participating in the documentary? If so, what is required for this investment to have a positive return to members?**

In relation to the documentary, refer to the response to questions (8)-(11) above.

In relation to the Summit, Rest invests around $35 billion in US assets (as at 31 December 2024), both in public and private markets. This large exposure is expected to continue to grow. These investments in the US are an extremely important part of our portfolio, and commitment to deliver the best risk-adjusted returns for our over 2 million members.

As a global long-term investor, we remain committed to continuing to explore all avenues to grow the retirement savings of our 2 million members, including in US markets which remain the largest and most dynamic globally. Given the size of the market opportunity we expect to continue to invest a significant amount of Rest member savings in the US capital markets as we search globally on behalf of our members.

It is essential to both the responsible management of our current US assets, and consideration of opportunities for future investments, that we continue to understand opportunities available, policy settings impacting the investment landscape (including, crucially, the economic and fiscal strategy of the Trump Administration) and the views and insights of US market participants and investment leaders. Attendance at the Summit provided these benefits for Rest and our members.