

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Fiducian Super

FID104QW:

In reference to the original publication of the article “CEOs push Andrews to reopen faster” in the *Australian Financial Review* on 20 October 2020 (see attachment) which states:

Meanwhile, restaurateur Chris Lucas, pub owner and former AFL player Paul Dimattina and CSL chairman Brian McNamee all spoke of repercussions from elements of the labour movement for criticising the state government over the failures which led to the crisis and the subsequent slow pace of reopening the economy. **Union-aligned industry superannuation fund managers have pressured Dr McNamee to stop his outspoken criticisms of the state government lockdown**, even though he has repeatedly said he is speaking in a personal capacity and not for the company.

In the context of confronting, bullying or intimidatory workplace cultures, please advise:

(a) has the Chair of your fund been in contact through any medium with Dr McNamee or his office since 5 August 2020, and if so please advise the name of the person who made contact and the nature of any communications.

(b) have board members of your fund been in contact through any medium with Dr McNamee or his office since 5 August 2020, and if so please advise the name(s) of the person(s) who made contact and the nature of any communications.

(c) has the CEO of your fund been in contact through any medium with Dr McNamee or his office since 5 August 2020, and if so please advise the name of the person who made contact and the nature of any communications.

(d) have senior executives of your fund been in contact through any medium with Dr McNamee or his office since 5 August, and if so please advise the name(s) of the person(s) who made contact and the nature of any communications.

Answer

The response to all questions (a) to (d) is no.

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FID81QW:

On financial advisers providing non-intrafund advice (i.e. comprehensive advice - beyond the scope of intrafund advice) within the fund over the past five financial years:

- a. How many do you employ (or are you paying for through outsourced arrangements)?
- b. What is the revenue generated from these non-intrafund advisers?
- c. How many financial advisers within the fund also provide intrafund advice?
- d. If you have non-intrafund financial advisers within the fund also providing intrafund advice, how is their remuneration determined from different sources?
- e. Is there any cross-subsidisation for non-intrafund financial advisers within the fund from activities funded through intrafund advice?
- f. Is there any cross-subsidisation for financial advisers from intrafund advice to non-intrafund financial advisers within the fund?
- g. What is the total budgeted cost and actuals for financial advisers?
- h. What is the remuneration level/range for the financial advisers employed to provide non-intrafund advice to your members?
 - i. What is the aggregated cost of their remuneration?
 - ii. What is the aggregated cost for their employment?
 - iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?
 - iv. What is the aggregated cost for marketing their services?
 - v. What is the aggregated cost for administrative support services?
 - vi. What is the aggregated cost for professional insurance and indemnity?
 - vii. What is the aggregated cost for compliance oversight?
 - viii. What is the aggregated cost for legal oversight?
 - ix. What is the aggregated cost for other regulatory oversight?
 - x. What is the aggregated cost for the unit, including overheads, that provides financial advice within the fund?

Answer

- a. to h. The fund does not employ financial advisers meaning these questions do not apply to the fund

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FID82QW:

On financial advisers providing intrafund advice (i.e. strictly limited to advice on your super fund for the member only - not spouse) within your fund over the last five financial years:

- a. How many do you employ (or are you paying for through outsourced arrangements)?
- b. What is the remuneration level/range for the financial advisers employed to provide intrafund advice to your members?
 - i. What is the aggregated cost of their remuneration?
 - ii. What is the aggregated cost for their employment?
 - iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?
 - iv. What is the aggregated cost for marketing their services?
 - v. What is the aggregated cost for administrative support services?
 - vi. What is the aggregated cost for professional insurance and indemnity?
 - vii. What is the aggregated cost for compliance oversight?
 - viii. What is the aggregated cost for legal oversight?
 - ix. What is the aggregated cost for other regulatory oversight?
 - x. What is the aggregated cost for the unit, including overheads, that provides intrafund advice?
- c. What is the revenue that intrafund advisers have generated?
- d. How many financial advisers providing intrafund advice also provide it within the fund?
- e. If you have financial advisers providing intrafund advice also providing it within the fund, how is their remuneration determined from different sources?
- f. Is there any cross-subsidisation for financial advisers providing intrafund advice from revenue funded through activities within the fund?
- g. What is the total budgeted cost and actuals for the intrafund advice unit?
- h. What is the revenue generated from these financial advisers?
- i. Within your fund, is there any cross-subsidisation for intrafund advice services?

Answer (all questions)

The fund does not employ financial advisers meaning these questions do not apply to the fund.

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FID83QW:

Do you allow members to use their funds to pay for:

- a. Financial advice?
- b. Internal financial advisers?
- c. External financial advisers?

Answer (all questions)

Members are allowed to use their funds to pay for financial advice that relates to superannuation

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FID84QW:

Do you allow external financial advisers access to online facilities to charge for external financial **advice** consented by members using their funds?

Answer

Financial advisers do not have access to online facilities to charge fees to members. Any superannuation related financial advice provided to members for which a fee is paid from the member account is authorised in writing by the member prior to payment.