

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS01QW: Please provide the details of any fund member briefings where it was possible to ask fund managers, executives or directors questions over the past five years.

Answer: Annual fund briefings were not a SIS Act 1993 requirement until the passage of Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2019 (Schedule 7).

First Super held an annual members' meeting on 19 November 2019 where it was possible for members to ask questions of directors and executives of the Fund.

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FS02QW: Details of all ASIC fines and infringement notices incurred over the past five years.

Answer: Nil.

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First Super

FS03QW: The name and company of your auditor for the past five years.

Answer: This is publicly available information contained in the Fund's accounts which are available from the Fund's website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>

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First Super

FS04QW: For the past five years the total value in dollars and as a percentage of the total value of a fund:
 a. Listed investments.
 b. Unlisted investments.
 c. Total investments.

Answer:

Year	Listed		Unlisted		Total investments		Total value of fund
	Total value in dollars (\$000s)	% of total value of fund	Total value in dollars (\$000s)	% of total value of fund	Total value in dollars (\$000s)	% of total value of fund	\$000s
2015	\$ 974,282.89	42.3%	\$ 1,336,278.43	58.1%	\$ 2,310,561.32	100.0%	\$ 2,310,561.32
2016	\$ 904,487.00	37.7%	\$ 1,512,206.00	63.1%	\$ 2,416,693.00	100.0%	\$ 2,416,693.00
2017	\$ 1,108,538.00	41.4%	\$ 1,575,510.00	58.9%	\$ 2,684,048.00	100.0%	\$ 2,684,048.00
2018	\$ 1,175,991.00	39.5%	\$ 1,797,548.00	60.4%	\$ 2,973,539.00	100.0%	\$ 2,973,539.00
2019	\$ 1,296,405.00	40.6%	\$ 1,907,750.00	59.8%	\$ 3,204,155.00	100.0%	\$ 3,204,155.00

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First Super

FS05QW: For the past five years the total value in dollars and as a percentage of the total return for the fund:

- a. Listed investments.
- b. Unlisted investments.
- c. Total investments.

Answer:

Year	Listed		Unlisted		Total investments		Total return of fund
	Total value in dollars (\$000s)	% of total return of fund	Total value in dollars (\$000s)	% of total return of fund	Total value in dollars (\$000s)	% of total return of fund	\$000s
2015	\$ 974,282.89	548.1%	\$ 1,336,278.43	751.8%	\$ 2,310,561.32	1299.9%	\$ 177,754.00
2016	\$ 904,487.00	778.8%	\$ 1,512,206.00	1302.0%	\$ 2,416,693.00	2080.8%	\$ 116,141.00
2017	\$ 1,108,538.00	421.9%	\$ 1,575,510.00	599.7%	\$ 2,684,048.00	1021.6%	\$ 262,720.00
2018	\$ 1,175,991.00	431.7%	\$ 1,797,548.00	659.8%	\$ 2,973,539.00	1091.5%	\$ 272,433.00
2019	\$ 1,296,405.00	684.7%	\$ 1,907,750.00	1007.6%	\$ 3,204,155.00	1692.3%	\$ 189,332.00

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First Super

FS06QW: A copy of your asset valuation policy (covering amongst other things independence of valuation, managing conflicts of interest, frequency of valuation, publication of latest valuation timings to members etc).

Answer: Refer attached section 17 "Valuation Policy" from the Investment Governance statement.

17 VALUATION POLICY

17.1 Introduction

This policy sets out the Trustee's policy for the valuation of First Super's investments. This policy will be reviewed annually.

This policy forms part of the Trustee's Investment Governance Framework and Risk Management Framework.

This policy contains general valuation principles used by the Trustee and is to be read in the context of any specific valuation requirements in the Crediting Rate Policy and valuation procedures agreed with the Trustee's Custodian.

17.2 Objectives

The Trustee has an overarching obligation to act in the best interests of the Fund's beneficiaries.

The Directors of the Trustee bear ultimate responsibility for the appropriate valuation of the Fund's investments.

The appropriate valuation of the Fund's investments is required in order to:

- Ensure equity among members investing with the Fund and those exiting the Fund;
- Ensure equity among members invested in the Fund's various MIC Options offered from time to time; and
- Enable the Trustee to confidently produce financial statements that represent a true and fair view of the Fund's financial position.

This policy is intended to ensure the Directors are able to discharge their duties in respect of the valuation of the Fund's investments and that roles, responsibilities and accountabilities are clearly defined.

This policy outlines the Trustee's approach to the review, frequency, and re-valuation of investments, including responding to trigger events.

This policy aims to affirm compliance with SPS 530 and observation of SPG 531

17.3 Valuation Principles

The valuation methodology for an investment should be appropriate for that investment; consistent with accounting and industry standards; robust and applied consistently from one period to the next.

Publicly traded debt investments and securities are valued using the closing market price given by Interactive Data Limited or the ASX.

The value of assets that are not regularly traded through an established market exchange ('unlisted assets') should be reviewed on a reasonably regular basis, having regard to market volatility and the cost of undertaking valuations.

Valuers use a variety of techniques and checks to arrive at a valuation for an asset. In doing so they are expected to follow international and local best practice valuation methodologies

for the asset class in which they are practicing, including those issued by accounting standard boards and respected professional bodies.

Private equity assets should be valued in accordance with established industry guidelines such as the rules and guidelines set out by Australian Venture Capital and Private Equity Association Ltd and its international counterparts.

Independent valuations obtained by Investment Managers will be provided to the Trustee, its Custodian and Asset Consultant on a timely basis.

The valuation policies and procedures of the Investment Managers of pooled investment funds and directly held investments should be a factor in considering a proposal to invest through those organisations. This should include consideration of the policy for rotation of independent valuers, where relevant, in accordance with best practice.

(a) Diversification

The Trustee ensures that there is sufficient diversification within the Fund such that a substantial increase in valuation of a single investment will have no material impact on the overall value of the Fund.

17.4 Investments and Valuation Methods

Member funds are invested across a range of asset classes. This includes both listed and unlisted assets. As a regulated superannuation fund, First Super is required to follow the valuation requirements established by Australian Accounting Standard 1056 (AASB1056)², which requires the Fund to hold its investments at Fair Value.

The Trustee does not develop in-house models for the purposes of valuing any of its securities. In accordance with SPG 531, the Trustee will emulate the following hierarchy of valuation sources wherever possible:

- Quoted market prices in active markets;
- Quoted market prices for similar investments in active markets;
- Quoted prices for similar or identical investments in non-active markets;
- Market based inputs (other than quoted prices) observable for investments;
- Subjective, unobservable inputs for investments if markets are not active. NB:

active market prices are those that are objective, observable, and unadjusted.

(a) Cash at call and on deposit

Cash held at call or on deposit will be valued at the balance held at balance date, plus any interest earnings accrued, less any fees and taxes applicable for the period.

(b) Listed Assets and Assets Traded on Recognised Markets (e.g. Shares, Bonds)

Assets traded on regulated exchanges or recognised markets, such as listed equities, bonds, short-term money market securities and foreign exchange contracts, will be valued at the closing listed price less any costs which may be incurred in disposing of the asset.

(c) **Unlisted Investments that Hold Listed Assets**

Investments such as unlisted trusts and partnerships that hold assets traded on regulated exchanges or recognised markets will be valued at the quoted redemption value less any costs which may be incurred in disposing of the asset.

(d) **Externally Managed Investments Holding Unlisted Assets (e.g. Private Equity Funds)**

The Trustee may hold investments in externally managed trusts, partnerships or direct mandates that hold unlisted assets. This may include investments in Fund of Fund arrangements (particularly for private equity investments). The Trustee holds units in these pooled investment vehicles.

The Trustee's unit holding will be valued by the Investment Manager or responsible entity and advised as a unit or security price to the Fund's Custodian, who will adjust the value for any costs which may be incurred in disposing of the asset in accordance with their accounting policies. The Investment Manager's valuation may be derived by engaging an independent valuer or by application of appropriate, recognised Australian and international industry guidelines.

At all times, the Trustee has a detailed understanding of underlying assets, how the Investment Manager reports performance, and the valuation methodology applied by the Investment Manager. The Asset Consultant undertakes an annual review of the adequacy, appropriateness and application of First Super's Investment Managers' valuation policies of unlisted investments.

Unlisted infrastructure Investment Managers generally use a discounted cash flow ("DCF") method for valuation. Where bid and offer prices are reported for assets in category (d), the market value of investments should be determined based on the mid-value or net asset value price, less any costs which may be incurred in disposing of the asset.

Unlisted property Investment Managers generally undertake valuations in accordance with the Australian Property Institute's guidance document: 'Australia and New Zealand Valuation and Property Standards'.

Australian Private Equity Investment Managers typically follow industry guidelines (Australian Private Equity & Venture Capital Association Limited). International Private Equity Investment Managers generally follow the relevant national venture capital governing bodies' guidelines.

For unlisted floating rate debt, a mark to market valuation is typically used. Alternatively, valuation is gathered by acquisition margin over the term of the investment.

(e) **Directly Held Unlisted Assets**

The valuation of directly held unlisted assets will be determined by the Trustee Board on the advice of the Investment Committee on a case-by-case basis. The valuation of investments in this category will require assessment of their specific cash flows and investment terms.

Directly held unlisted assets would generally be held at cost for up to 12 months from acquisition and then independently valued at net market value at 30 June and at least annually thereafter. In the event of a significant market fluctuation the Trustee will arrange for directly held unlisted assets to be revalued in a timely manner. The methodology by which net market value is assessed for such assets will be determined by the Trustee as is appropriate for the asset and consistent with market practice.

The Trustee may rely upon an unlisted asset valuation where the board of that unlisted asset appoints a qualified and competent independent third party to undertake a valuation of that asset.

In any other case independent valuers are engaged by the Trustee on an asset by asset basis

The Trustee will take the mid-point valuation provided by the valuer and will, where applied by the valuer, apply any discount for being minority shareholder.

The valuation of directly held unlisted assets will be advised to the Fund's Custodian on a timely basis.

(f) The Fund's Shareholding in Super Benefits Administration Pty Ltd

SBA will be valued at the Net Asset Value as shown in the company's audited financial accounts as at the relevant balance date.

The valuation of directly held unlisted assets will be advised to the Fund's Custodian on a timely basis.

17.5 Frequency of Valuations and Valuation Schedule

The Trustee is committed to regular (generally at least annual) valuation of the assets in the Fund's portfolio. Regular valuations promote member equity and eliminate the risk of arbitrage. Wherever possible the Trustee aims to ensure that valuations are staggered throughout the year to reduce the risk of a large fluctuation in the MIC Option at a given valuation date.

The Trustee seeks to strike a balance between frequent valuations and the costs associated with such valuations, such that the flow on effect on member fees is minimal. Considerations surrounding valuation include the size of an investment, as costs surrounding valuation are often fixed. Investment size, inherent volatility and materiality are factors that the Trustee takes into account in determining the frequency of valuations.

As an RSE licensee, the Trustee is mindful of SPG 531 in which APRA recommends valuing unlisted investments at least once a quarter.

Private equity Investment Managers generally undertake quarterly valuations in line with industry standards. Unlisted infrastructure and property assets should be independently valued at least annually as at 30 June, and preferably also as at 31 December each year — i.e. every six months.

(a) Interim Valuations, Revaluations, Trigger Events, and Disposals

The Trustee may, from time to time, determine that it is in members' best interests to delay, bring forward, or seek additional or interim valuations outside the regular valuation cycle. Triggers for such events include but are not limited to:

- Change in ownership of an asset;
- Unusual or unexpected values achieved on the actual sales of comparable assets;
- Significant change in the value of similar assets in listed markets;
- Significant change in the value of an asset within an investment or in the investment itself;
- Unexpected foreign exchange movements;

- Major change in the outlook for the asset (i.e. loss of a material contract);
- A re-estimation of the key assumptions used in the valuation model;
- Changes to the regulatory environment affecting an asset; or
- Changes to the debt structure or loan covenants of an asset.

17.6 Realisation Costs

As part of the valuation process, the Trustee must determine if there are realisation costs associated with the sale of an asset, to ensure that there are adequate provisions for this realisation. These costs are usually determined as a percentage of the sale value and are applied by the Custodian in its investment accounting for the Fund, rather than being applied as a net amount in a Trustee valuation.

Realisation costs are reviewed regularly and at least annually by Management, which will seek advice as required from the Fund's Asset Consultant, independent valuers and other qualified external parties.

17.7 Responsibilities

(a) **Trustee Board**

The Trustee Board is responsible for

- The IGS&M;
- Approval of valuations;
- Ensuring that the Investment Committee periodically reviews Investment Manager valuation policies and procedures; and
- Considers any valuation issues referred to it by the Investment Committee.

The Trustee Board may, at its discretion based on advice from its Asset Consultant or other appropriately qualified external adviser, value an investment at a different value than that advised by the Investment Manager or the independent valuer engaged by the Investment Manager to value that investment. Should it do so, the Trustee Board must clearly document the basis of the valuation it determines.

(b) **Investment Committee**

First Super's Investment Committee is responsible for:

- Monitoring the valuation of investments, on advice from the Asset Consultant and the CEO;
- Reporting on any valuation issues to the Board;
- Considering an external Investment Manager's valuation procedures prior to including an investment in the Trustee's investment strategy;
- At least annually, considering and recommending to the Board valuations of directly held unlisted investments.

The Investment Committee may, among other things:

- Consider material changes or other factors that may have caused, or are causing, the existing valuation of the unlisted investment to now be inappropriate;
- Ensure that current valuations remain appropriate;
- Selecting and recommending valuers;
- Undertaking an annual review of the adequacy, appropriateness and application of First Super's Investment Managers' valuation policies of unlisted investments;
- Considering the adequacy of Custodian valuation policies;
- Periodically reviewing Investment Manager performance and asset values against their agreed performance benchmarks, market indices and comparable assets within the Fund's portfolio;
- Upon receipt of advice from the CEO or Asset Consultant considering whether a trigger event has occurred and, if so, what action should be taken; and
- Considering external auditor reports relating to asset values.

(c) Audit & Compliance Committee

The Audit & Compliance Committee is responsible for:

- Considering adequacy, appropriateness, application of and amendments to this section of the IGS&M relating to Valuations;
- Periodically reviewing valuation frequencies; and
- The internal audit program which shall include testing adequacy of valuations and control environment.

(d) External Auditor

The Trustee may request the external auditor to perform an independent valuation of underlying assets or assessment of reasonableness from time to time.

(e) Risk Team / Internal Audit

First Super's Risk Manager is responsible for:

- Developing, recommending and implementing an internal audit program to test application of the Fund's valuation policies and application of valuation processes applied by the Fund's Custodian and Investment Managers including:
 - a. Reviewing the control environment supporting valuation processes;
 - b. Assessing the availability and reliability of evidence used in the valuation process; and
 - c. Determining the validity of assumptions and estimated values used in undertaking a valuation; and
- Reporting on the internal audit program outcomes to the Audit and Compliance Committee.

(f) CEO

The CEO is responsible for:

- Monitoring and reviewing the valuation policies and procedures applied by the Fund's Investment Managers and reporting on any issues to the Investment Committee, and any recommended changes to this valuation policy to the Audit & Compliance committee;
- Informing the Investment Committee of the outcome of valuations;
- Informing the Chair of the Investment Committee of any event, including a trigger event that may warrant consideration of revaluation of assets outside of their normal valuation cycle or questioning an Investment Manager; and
- Implementing decisions of the Board to revalue assets by instructing the Custodian to update pricing for any directly held unlisted assets.

(g) Investment Managers

The Investment Managers are responsible for:

- Ensuring that a valid Valuation Policy is regularly maintained and supplied to First Super on request; and
- Ensuring that the processes outlined in the Valuation Policy are adhered to, and that any breaches or exceptions are reported to First Super in a timely manner.

(h) Asset Consultant

The Asset Consultant is responsible for:

- Preparation of the annual review of Investment Manager valuation policies in selected unlisted asset classes;
- Informing the Board, Investment Committee of any issues with individual Investment Managers or assets held by the Investment Managers that may have a material impact upon asset valuations; and
- Informing the CEO of any market or economic event that, in its opinion, may warrant revaluation of assets outside of the normal valuation cycle.

(i) Custodian

The Custodian is responsible for:

- Developing and applying accounting and investment valuation policies; and
- Receiving and recording the value of the Fund's investments. These values are the values recorded in the Fund's financial statements.

(j) Independent Valuer

Valuation of assets in categories 21.5 (e)–(f) will be undertaken by independent persons with recognised expertise in valuation. The independent valuer will be formally engaged in writing, and their valuations will be provided to the Trustee in writing. Where feasible, independent valuers will be rotated by the Trustee such that the same party does not value a particular asset for any period greater than three years (in most circumstances).

17.8 Related Policies and Documentation

- Direct Investment Policy
- Crediting Rate Policy
- AASB 1056, Superannuation Entities
- APRA Prudential Practice Guide 531 Valuation (SPG 531)
- Frontier Advisors, 'Valuation Policy Review' (November 2017)

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First Super

- FS07QW:** Details of each individual asset currently held at a value other than available listed market prices (an unlisted asset) wholly owned by the fund or funds under your control, including:
- The asset name and location.
 - The frequency of the revaluation of the asset.
 - The most recent valuation.
 - A copy of that valuation.
 - The methodology used for its valuation.
 - Whether the valuation was completed internally or externally.
 - The details of any external party involved in the valuation.

Answer:

- a. The asset name and location.

Asset name	Location
Super Benefits Administration Pty Ltd	Level 1, 165 Bouverie Street, Carlton VIC 3053

- b. The frequency of the revaluation of the asset.

Asset name	Frequency
Super Benefits Administration Pty Ltd	Annual

- c. The most recent valuation.

Asset name	Valuation
Super Benefits Administration Pty Ltd	\$1,292,257

- d. A copy of that valuation.

Valuations can be found within the Fund's annual reports, available at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>

- e. The methodology used for its valuation.

Refer to the Valuation Policy attached at question FS06QW.

f. Whether the valuation was completed internally or externally.

Refer to the Valuation Policy attached at question FS06QW.

g. The details of any external party involved in the valuation.

Refer to the Valuation Policy attached at question FS06QW.

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First Super

- FS08QW:** Details of each individual asset currently held at a value other than available listed market prices (an unlisted asset) partly owned by the fund or funds under your control, including:
- a. The asset name and location.
 - b. The frequency of the revaluation of the asset.
 - c. The most recent valuation.
 - d. A copy of that valuation.
 - e. The methodology used for its valuation.
 - f. Whether the valuation was completed internally or externally.

Answer:

- a. The asset name and location.

Asset name	Location
Members Equity Bank	Level 28, 360 Elizabeth Street, Melbourne VIC 3000
Industry Super Holdings	Level 29, 2 Lonsdale Street, Melbourne VIC 3000
Frontier Investment Consulting	Level 16, 222 Exhibition Street, Melbourne VIC 3000

- b. The frequency of the revaluation of the asset.

Asset name	Frequency
Members Equity Bank	Annual
Industry Super Holdings	Annual
Frontier Investment Consulting	Annual

- c. The most recent valuation.

Asset name	Valuation
Members Equity Bank	\$49,966,456
Industry Super Holdings	\$36,783,262
Frontier Investment Consulting	\$293,611

d. A copy of that valuation

Valuations can be found within the Fund's annual reports, available at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>

e. The methodology used for its valuation.

Refer to the Valuation Policy attached at question FS06QW.

f. Whether the valuation was completed internally or externally.

Refer to the Valuation Policy attached at question FS06QW.

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First Super

FS09QW: Details of arrangements for the temporary or permanent use for corporate venue hire (including corporate boxes), including additional non-hire costs such as catering, at sporting venues over the past five years.

Answer: The aggregate amount for the past five years is shown below. The costs relate to room hire for the purposes of providing member seminars or a retirement dinner and include catering.

Organisation	Amount
Traralgon Greyhound Racing Club	\$ 3,733.50
Tumut Golf Club	\$ 654.03

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First Super

FS10QW: Details of sponsorship or sponsorship-like arrangements, marketing or marketing-like or in-kind arrangements for the past five years.

Answer:

Organisation	Amount	Description
AMIEU	\$ 1,900.00	Annual conference
APHEDA Inc	\$ 312.79	Sponsorship for UAA Aheda dinner
AusTimber	\$ 3,649.29	Booth sponsorship
Australian Council of Superannuation Investors	\$ 1,255.00	Raffle prizes
CFMEU	\$ 86,855.37	Committee of management functions, conferences, annual dinner, welcome dinner
CMDA	\$ 5,304.81	Awards Nights
Festival of the Falling Leaf	\$ 5,700.00	Community Festival sponsorship
FIAA Ltd	\$ 70,454.22	Industry Awards, annual sponsorship
Footers Pty Ltd	\$ 365.75	Lunch
Frame Australia Pty Ltd	\$ 1,306.25	National conference
FTMA	\$ 16,700.06	Annual sponsorship, national conference
Furniture Cabinets Joinery Alliance Ltd	\$ 1,042.65	Support of FCJA at AWISA
Glenreagh Timber Festival	\$ 1,900.00	Community Festival sponsorship
Maryvale Social & Picnic	\$ 4,000.00	Community Christmas party
Mid South Eastern Football League Inc	\$ 9,739.34	League sponsorship
Mount Gambier Community Events Management	\$ 14,635.08	Community NYE fireworks and other activities
Timber Trade Industrial Association	\$ 5,000.00	State conference
Traralgon Golf Club and associated entities	\$ 1,444.77	APM Golf Day
Victorian Association of Forest Industries	\$ 32,351.60	Annual industry dinners

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First Super

- FS11QW:** Details of costs for advertising campaigns for the past five years, including:
- a. The companies invited to tender for all or parts of any advertising campaign.
 - b. The companies awarded campaigns.
 - c. The total cost of each campaign.
 - d. The cost of the campaign's development.
 - e. Broadcasting (television, radio and internet) and publishing costs.
 - f. Assessment reports of the efficacy of campaigns in either retaining or gaining new members.

Answer: None were undertaken therefore not applicable.

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First Super

FS12QW:

Over the last five financial years:

- a. What is the total budget for all costs associated with the fund?
- b. What were the total assets under management?
- c. What are the total number of employees?
- d. What are the total number of contractors?
- e. What are the total number of externally hired contracts, and their value?

Answer:

	2015	2016	2017	2018	2019
a.	\$ 12,511,019	\$ 12,924,797	\$ 14,870,113	\$ 15,024,114	\$ 18,123,340
b.	\$ 2,316,026,623	\$ 2,421,588,728	\$ 2,711,798,692	\$ 3,012,548,251	\$ 3,241,889,174
c.	11	13	15	24	22
d.	0	0	1	1	0
e.	0	0	\$ 321,059	\$ 25,543	0

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First Super

FS13QW:

Over the last five financial years:

- a. What is the total number of member accounts?
- b. What is the total increase in the number of members as a result of the fund's default status?
- c. What is the total increase in the number of members through voluntary adoption or switching?
- d. What was the average member balance?
- e. What was the average dollar amount deducted in insurance fees per member, across all fund products in dollar terms and as a share of a member account?
- f. What was the total number of inactive accounts? (Please use the APRA definition: no contributions for two years)

Answer:

	2015	2016	2017	2018	2019
a.	71,253	64,284	64,266	63,399	51,640
b.	Not identifiable	Not identifiable	Not identifiable	Not identifiable	Not identifiable
c.	Not identifiable	Not identifiable	Not identifiable	Not identifiable	Not identifiable
d.	\$ 32,304	\$ 37,302	\$ 41,266	\$ 46,557	\$ 61,396
e. \$	\$ 256.27	\$ 472.07	\$ 431.94	\$ 406.67	\$ 480.79
e. %	0.8%	1.3%	1.0%	0.9%	0.8%
f.	33,536	29,771	28,095	27,339	14,595

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First Super

FS14QW: Please provide the one, five, and ten year net return after fees, costs, and taxes for the primary default MySuper balanced product.

Answer: This information is available on First Super's website at <https://www.firstsuper.com.au/investments/investment-returns-crediting-rates/>

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First Super

FS15QW:

Over the last five financial years:

- a. What was the average dollar amount deducted for administration and asset management fees per member, across all fund products? (please do not include insurance fees)
- b. What was the cost (%) of fund administration expenses as a proportion of funds under management?
- c. What was the total cost of in-house administration expenses?
- d. What was the cost of in-house administration expenses as a proportion of funds under management?
- e. What was the total cost of any external administration expenses?
- f. What was the cost of any external administration expenses as a proportion of funds under management?
- g. What was the total cost of any external administration expenses to Related Parties?
- h. What was the cost of any external administration expenses to Related Parties as a proportion of funds under management?
- i. How many staff are employed in roles considered part of the administrative costs?

Answer:

	2015	2016	2017	2018	2019
a.	\$ 220.00	\$ 253.84	\$ 233.96	\$ 261.89	\$ 369.46
b.	0.19%	0.19%	0.16%	0.15%	0.19%
c.	Nil	Nil	Nil	Nil	Nil
d.	Nil	Nil	Nil	Nil	Nil
e.	\$ 4,504,879	\$ 4,508,334	\$ 4,445,772	\$ 4,426,403	\$ 6,016,408
f.	0.19%	0.19%	0.16%	0.15%	0.19%
g.	\$ 4,504,879	\$ 4,508,334	\$ 4,445,772	\$ 4,426,403	\$ 6,016,408
h.	0.19%	0.19%	0.16%	0.15%	0.19%
i.	Nil	Nil	Nil	Nil	Nil

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

First Super

FS16QW: What is the total number of statutory fines over the past five years?

Answer Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS17QW:

Over the last five financial years:

- a. The number of rollover requests that the fund did not pay out to another fund for each year?
- b. The average dollar value of a rollover for each year?
- c. The value of any clawback accounts and/or funds held that is used to hold funds between financial years?

Answer:

The figures for part (a) are internal transfers between First Super accounts where the member has rolled over an existing First Super amount to another First Super account not to an external fund. The only instances where the fund will not pay out a rollover to another complying fund is where the member has not provided a tax file number.

The average value of a rollover excludes these amounts and is the average external rollover.

	2015	2016	2017	2018	2019
a.	527	505	512	590	770
b.	\$ 24,585.70	\$ 19,163.86	\$ 23,221.24	\$ 23,079.85	\$ 13,478.37
c.	Nil	Nil	Nil	Nil	Nil

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS18QW:

- a. Does the fund maintain a reserve at least partially funded through insurance premiums, rebates from an insurance company (such as profit share arrangements) or tax benefits that have arisen from insurance?
- b. The total value of that reserve?
- c. The total value of tax rebates received from the ATO on insurance premiums?

Answer:

- a. Yes – tax benefits from insurance are applied to the administration reserve.
- b. Reserve values are disclosed in the Fund's Annual Reports and financial statements, available on its website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.
- c. The fund claims a tax deduction (not a rebate) for the cost of the insurance premiums. The tax effect of the deduction is included in the administration reserve.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS19QW: The number of trusts or investment vehicles the fund controls in each of the low tax regions, including but not limited to Andorra, the Bahamas, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, the Cook Islands, Hong Kong, the Isle of Man, Mauritius, Lichtenstein, Luxembourg, Monaco, Panama, St Kitts and Nevis? Or tax efficient arrangements such as a 'double Dutch sandwich'?

Answer: Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS20QW:

- a. The number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation?
- b. The value of the money that will be paid to the ATO as a result of the 'Protecting your Super' legislation?
- c. The number of accounts that has been transferred into an eligible rollover fund in the 2019 financial year?
- d. The value of the money that has been transferred into an eligible rollover fund in the 2019 financial year?

Answer:

- a. One member requested a transfer to the ATO; the remaining members were transferred to an eligible rollover fund.
- b. The total balance at present (before further fees, premiums and interest) is \$1,580,492.66.
- c. 2,786
- d. \$3,280,372.31.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS21QW: Have you ever made a donation and/or subscription fee to the ACTU Member Connect and/or ACTU Superannuation Partnerships program, and if so, to what value over the past five years?

Answer: Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS22QW: Does the fund pay any external consultants for any advocacy and communication services, and if so can you please name them and the costs incurred over the past five years?

Answer: Yes; Mountain Media Pty Ltd; \$239,459.76.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS23QW:

- a. How many staff are employed for the purpose of policy research or analysis?
- b. How much was spent on engaging external policy and data analysis consultants?
- c. How much was spent on membership of industry advocacy organisations that provide policy and data analysis service to member funds?

Answer:

- a. 0.25 FTE
- b. Zero
- c. AIST, ACSI and ISA at a cost of \$462,727.30

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS24QW:

In the context of building investments:

- a. Have you completed assessments of the prevalence of flammable cladding across some properties?
- b. Have you completed assessments of the prevalence of flammable cladding across all properties?
- c. Have you taken any remediation to reduce your exposure to risk to identify flammable cladding, and if so, what?
- d. Have you taken any remediation to reduce your exposure to risk to remove flammable cladding, and if so, what?
- e. Do you hold any properties where insurance has been refused or are uninsured due to defective building construction such as cladding?

Answer:

Not applicable as no direct property investment.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS25QW:

- a. What external parties manage your investments, if any?
- b. What are the fee structures per member from external management?

Answer:

- a. A full list of the Fund's investments can be found in its Annual Report, available on its website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>
- b. None of the fee arrangements First Super has with its investment managers contain any per-member structure.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS26QW:

Governance:

- a. How many trustee board members did the fund have?
- b. What was the total salary of all trustee board members?
- c. What was the average salary of all trustee board members?
- d. Are there any performance-based assessments that determine trustee board remuneration, and if so what are they?
- e. What was the salary of the trustee board chair?
- f. What was the average length of service of all trustee board members?
- g. What is the length of service of the longest serving trustee board member?
- h. Are trustee board members asked whether they have conflicts of interest at each meeting, and if not, why not?
- i. What is the conflict of interest policy for trustee board members?
- j. Does your fund have a policy on gender diversity and/or balance for listed companies?
- k. Does your board have gender balance?

Answer:

- a. 12
- b. Details of the salary of trustee board members is provided in the Fund's Annual Report, available on its website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.
- c. Details of the salary of trustee board members is provided in the Fund's Annual Report, available on its website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.
- d. No
- e. Details of the salary of trustee board members is provided in the Fund's Annual Report, available on its website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.
- f. Details of the tenure of trustee board members is provided in the Fund's Annual Report, available on its website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.
- g. Details of the tenure of trustee board members is provided in the Fund's Annual Report, available on its

website at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.

- h. Trustee board members are asked whether they have conflicts of interest at each meeting.
- i. First Super policies including its conflict of interest policy for trustee board members are available at <https://www.firstsuper.com.au/about-us/fund-governance/>.
- j. Yes
- k. Yes

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS27QW:

In the context of the ACCC's legal action and question for competition in monopoly infrastructure entities:

- a. What are the implications for infrastructure investment returns if the ACCC is successful in its legal action?
- b. Have you analysed your infrastructure investment portfolio to examine the risk of ACCC action to reduce anti-competitive monopoly or oligopoly pricing?
- c. If so, can you provide details of the likely impact, and what is the project impact on revenue and income?

Answer:

There is no publicly available information pertaining to any specific ACCC legal action regarding monopoly infrastructure entities or any specific ACCC question regarding competition in the same that bears any implications for the risk associated with or returns expected from any of the Fund's infrastructure investments.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

- FS28QW:** In dollar terms, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?
- a. Investment fees
 - b. Administration fees
 - c. Indirect costs
 - d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
 - e. An aggregate total of all fees mentioned above.

Answer: Details of fees are published by APRA via its heatmap (available at <https://www.apra.gov.au/mysuper-product-heatmap>) and fund-level statistics (available at <https://www.apra.gov.au/annual-fund-level-superannuation-statistics>).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS29QW: As a percentage of the value of the member account, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a. Investment fees
- b. Administration fees
- c. Indirect costs
- d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e. An aggregate total of all fees mentioned above.

Answer: Details of fees are published by APRA via its heatmap (available at <https://www.apra.gov.au/mysuper-product-heatmap>) and fund-level statistics (available at <https://www.apra.gov.au/annual-fund-level-superannuation-statistics>).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS30QW: To the extent that any of the fees and costs listed in the previous two questions are paid to a related entity or associate of the trustee, or any of their respective related entities or associates, please set out the function performed or service provided by that person, and the amount (total quantum) paid to that entity or person at a whole-of-fund level.

Answer: Details of related-party transactions can be found within the Fund's Annual Report and financial statements, available at <https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS31QW:

For the past five years:

- a. What was the total cost of all advertising and/or marketing?
- b. What was the total cost of all advertising and/or marketing per member?
- c. What was the total cost of all advertising per new (FY19) member?
- d. What was the total cost of all television advertising and/or marketing?
- e. What was the total cost of all radio advertising and/or marketing?
- f. What was the total cost of all print advertising and/or marketing?
- g. What was the total cost of all online advertising and/or marketing?
- h. How many in-house staff are employed in advertising and marketing roles?
- i. How much was spent on engaging external advertising and marketing consultants?
- j. Do you advertise and/or directly financial contribute to the New Daily?

Answer:

- a. \$4,219,850.03
- b. \$69.29 per member over 5 years
- c. Unable to say
- d. Nil
- e. Nil
- f. \$6,355.29
- g. Refer to questions FS32QW, FS33QW, and FS34QW.
- h. 1
- i. \$133,379.87
- j. No.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS32QW:

How much money have you spent on advertising on the following platforms in the past decade:

- a. Google?
- b. Facebook?
- c. Twitter?
- d. Instagram?
- e. A non-Google search engine?
- f. Any social media platform that is not mentioned in (b) – (d)?

Answer:

- a. \$4,740.25
- b. \$6,667.72
- c. Nil.
- d. Nil.
- e. Nil.
- f. Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

- FS33QW:** Can you provide details if you have purchased the following over the past decade:
- a. Google advertisements
 - b. Google search terms.

Answer:

- a. No.
- b. First Super has utilised Google AdWords for search terms related to making comparisons with First Super and KiwiSaver, find lost super and rolling in super, as well as “Remarketing” to target visitors to its website.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS34QW:

- a. Do you use Google Ad Words, or any Google provided or supported service to advertise any of your funds or your brand in any way whatsoever?
- b. Please list what terms you have used in Google Ad Words in the last five years to generate an impression on particular search queries.

Answer:

- a. Refer to question FS33QW.
- b. Refer to question FS33QW.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS35QW: What percentage of the return on investment from your unlisted assets can be attributed to revaluations due to falling interest rates, and capital asset pricing model market yields used as the discount rate in discounted cash flow based valuations?

Answer: First Super invests as a limited partner or in unit trusts, and is therefore unable to answer this question.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS36QW:

How will the overall fund performance be affected if:

- a. The income return of unlisted assets declines?
- b. The fund can no longer purchase unlisted assets onshore?
- c. The fund can no longer purchase unlisted assets offshore?

Answer:

- a. Unable to say precisely as this requires speculation on the quantum of reduction.
- b. Not applicable as the Fund does not directly purchase onshore unlisted assets.
- c. Not applicable as the Fund does not directly purchase onshore unlisted assets.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS37QW: How have you structured the fund to address the writing back of the increased investment capitalised future returns?

Answer: The Fund has not been specifically structured to address any writing back of any increased investment capitalised future returns, and furthermore is not aware of any increased investment capitalised future returns or the writing back thereof that would warrant any particular structuring of the Fund.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS38QW: What are the projected changes in income in light of the writing back of the increased investment capitalized future returns?

Answer: The Fund is not aware of any increased investment capitalised future returns nor of any writing back thereof that would be unable to project any particular changes.

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

First Super

FS39QW:

Valuation methodologies:

- a. Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?
- b. Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?
- c. How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?
- d. Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

Answer:

- a. No.
- b. Yes, the Fund's asset consultant undertakes an annual review of investment manager valuation methodologies.
- c. With the exception of the assets referred to above, valuations are undertaken by managers.
- d. No.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS40QW: What is the current annual average return for your unlisted assets?

Answer: 6.1%

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

First Super

FS41QW: Given the size of your large joint investments, why are they not listed for liquidity, valuation and public disclosure purposes?

Answer: Not applicable.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS42QW:

- a. How many unlisted assets do you hold in the fund?
- b. What value share are unlisted assets of the fund's?
 - I. total value?
 - II. total property value?

Answer:

- a. The Fund holds ordinary shares in four private companies, and with the exception of its Australian equity mandates and cash, the rest of its investments, as available within its Annual Report (<https://www.firstsuper.com.au/forms-resources/product-disclosure-statements/>) are unlisted unit trusts.
- b. Regarding the proportion unlisted assets comprise of the fund's
 - I. total value, refer to FS04QW;
 - II. total property value, 100%.

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

First Super

FS43QW:

Discount rates:

- a. For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?
- b. What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Answer:

- a. For directly held unlisted assets, refer to the Valuation Policy attached at question FS06QW; for unlisted unit trusts, First Super is unable to say.
- b. For directly held unlisted assets, refer to the Valuation Policy attached at question FS06QW; for unlisted unit trusts, First Super is unable to say.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS44QW: Of the unlisted assets, how many have outperformed the average return on investments in superannuation over the past five years?

Answer: There is no generally accepted 'average return on investments in superannuation' within the superannuation industry. Without such a benchmark we are therefore unable to identify how many unlisted assets have outperformed it.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS45QW: Have you completed any analysis about your capacity to continue to provide returns to fund members at the current, or past rate, into the future based on the valuations of your unlisted assets?

Answer: Yes. This analysis is undertaken annually as part the Fund's investment strategy review.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS46QW:

Over the past decade:

- a. Have you ever devalued an unlisted asset?
- b. Have you ever devalued an unlisted asset by more than \$10 million?
- c. Have you ever devalued an unlisted asset by more than \$50 million?
- d. Have you ever devalued an unlisted asset by more than \$100 million?
- e. Please advise the companies and/or individual valuers that have valued your unlisted assets.

Answer:

- a. Yes
- b. No
- c. No
- d. No
- e. Refer to the Valuation Policy attached at question FS06QW.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS47QW:

For each year of the past decade:

- a. How many fund members do you have?
- b. How many financial planners do you have in total numbers, and as a member to financial planner ratio?
- c. How many financial advisers do you have in total numbers, and as a member to financial planner ratio?

Answer:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
a.	79,716	74,417	72,339	72,356	71,202	71,253	64,284	64,266	63,399	51,640
b.i.	1	1	1	1	1	1	1	1	1	3
b.ii	79,716:1	74,417:1	72,339:1	72,356:1	71,202:1	71,253:1	64,284:1	64,266:1	63,399:1	17,213:1
c.i	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c.ii	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS48QW:

For each year of the past decade:

- a. How much is charged for financial planning annually to fund members, and what is the average per fund member?
- b. How much is charged for financial planning annually to funds, and what is the average per fund member?
- c. How much is charged for financial advice annually to fund members, and what is the average per fund member?
- d. How much is charged for financial advice annually to funds, and what is the average per fund member?

Answer:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
a.i	\$ 42,122	\$ 146,068	\$ 102,608	\$ 146,713	\$ 132,148	\$ 144,525	\$ 174,612	\$ 233,374	\$ 241,980	\$ 544,876
a.ii	\$ 0.53	\$ 1.96	\$ 1.42	\$ 2.03	\$ 1.86	\$ 2.03	\$ 2.72	\$ 3.63	\$ 3.82	\$ 10.55
b.i	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b.ii	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c.i	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c.ii	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d.i	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d.ii	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS49QW:

For each year of the past decade:

- a. What is the cost of general advice annually, and what is the average per fund member?
- b. What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

Answer:

- a. Total financial planning costs are disclosed in FS48QW and are unable to be split into general advice and other types of advice.
- b. Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS50QW:

For each year of the past decade:

- a. What is the cost of scaled advice annually, and what is the average per fund member?
- b. What are the aggregate value of bonuses provided for scaled advice, and what is the average per adviser?

Answer:

- a. Total financial planning costs are disclosed in FS48QW and are unable to be split into scaled advice and other types of advice.
- b. Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS51QW:

For each year of the past decade:

- a. What is the cost of comprehensive advice annually, and what is the average per fund member?
- b. What are the aggregate value of bonuses provided for comprehensive advice, and what is the average per adviser?

Answer:

- a. Total financial planning costs are disclosed in FS48QW and are unable to be split into comprehensive advice and other types of advice.
- b. Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS52QW:

For each year of the past decade:

- a. What is the cost of intra-fund advice annually, and what is the average per fund member?
- b. What are the aggregate value of bonuses provided for intra-fund advice, and what is the average per adviser?

Answer:

- a. Total financial planning costs for the fund are disclosed in FS48QW and are unable to be split into intra-fund advice and other types of advice.
- b. Nil.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL
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First Super

FS53QW: How many employees does the fund have?

Answer: 16

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS54QW: How do you define employee misconduct?

Answer: First Super's code of conduct is provided below.

The First Super Code of Conduct outlines the obligations generally expected of all First Super employees, contractors and representatives. You are required to maintain a high standard of personal conduct and recognise that our organization will often be judged by the way you represent it.

As a First Super employee you are expected to:

- Behave honestly with integrity and act with care and diligence in the course of your employment;
- Foster, promote and contribute to a work environment that is fair, inclusive, equitable and free from any form of harassment or discrimination;
- Behave in a manner that upholds the First Super values and the integrity and good reputation of First Super;
- Work collaboratively towards achieving First Super's mission and values;
- Comply with any lawful and reasonable direction given;
- Follow First Super's processes for the public disclosure of information, including making public comment on behalf of First Super. If in doubt speak with CEO or Corporate Services Manager;
- Disclose, and take every responsible step to avoid, any conflict of interest (real or apparent) in connection with your employment;
- Adhere to First Super's policies and procedures;
- Use resources in a proper manner and not make improper use of:
 - Inside information, or
 - Your position, status, power or authority, to gain, or seek to gain, a benefit or advantage for yourself or for any other person.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS55QW:

Over the past five years:

- a. How many employees have been cautioned for misconduct?
- b. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?
- c. How many employees have been terminated for misconduct?
- d. How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?
- e. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?
- f. How many employees have been terminated for misconduct, as a share of all employees over that timeframe?

Answer:

- a. None.
- b. None.
- c. None.
- d. None.
- e. None.
- f. None.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS56QW: Do you support current Corporations Law provisions for the disclosure of corporate remuneration?

Answer: Yes.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS57QW: Of the twenty highest remunerated employees over the past decade, please provide the number whose total remuneration in a financial year (including all forms of remuneration, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS58QW: Of the twenty highest incentive bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	0
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS59QW: Of the twenty highest performance bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	0
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS60QW: Of the twenty highest severance packages over the past decade, please provide the number whose total package (including all forms of accumulated severance package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	3
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS61QW: Of the twenty highest termination payments over the past decade, please provide the number whose total package (including all forms of accumulated termination package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

First Super

FS62QW: Of the twenty highest redundancy payments over the past decade, please provide the number whose total package (including all forms of accumulated redundancy package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	2
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0