

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**First Super**

**FS101QW:**

Please advise the total remuneration package of your:

- a. company secretary, and
- b. Chief Executive Officer, including:
  - i. total remuneration
  - ii. base salary
  - iii. annual bonuses
  - iv. deferred bonuses
  - v. equity or other options
  - vi. additional compensation not covered in the above.

**Answer:**

- a. 211,251
- b.
  - i. 401,728
  - ii. 369,744
  - iii. 0
  - iv. 0
  - v. 0
  - vi. 31,534

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**First Super**

**FS102QW:**

For each year of the past decade, please advise the:

- a. annual remuneration of the average worker who contributes to your fund
- b. average annual superannuation contribution from an employee to your fund
- c. multiple your CEO is remunerated compared to the annual remuneration of the average worker who contributes to your fund.

**Answer:**

- a. We are not able to say.
- b. The average annual superannuation contributions of Fund employees to the Fund are as follows:

Year	Average contribution
2020	\$10,237
2019	\$9,419
2018	\$6,934
2017	\$6,805
2016	Not available
2015	Not available
2014	Not available
2013	Not available
2012	Not available
2011	Not available

- c. We are not able to say, as we are not able to say for part (a).

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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#### First Super

#### FS103QW:

In the context of marketing and advertising campaigns:

- a. How many is your fund currently running individually, or in collaboration with others?
- b. How many have run, or are currently running since the beginning of calendar year 2020?
- c. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) to 30 June 2020?
- d. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) budgeted?
- e. What is the budgeted cost for each campaign (including development, production, broadcasting, and distribution) from 1 July 2020 – 31 December 2020?
- f. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 January 2021 – 30 June 2021?
- g. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 July 2021 – 31 December 2021?

**Answer:**

- a. Eight
- b. Eight
- c. Actual costs from 1 July 2019 to 30 June 2020

Marketing and Advertising	\$
6-2681 (Communications BAU)	\$289,079.12
6-2682 (Communications initiatives)	\$41,371.66
6-2676 (Member attraction, engagement, retention)	\$124,775.72
6-2677 (TTR and allocated pension member attraction, engagement and retention)	\$31,065.38
6-2678 (Brand and website)	\$74,995.92
6-2679 (Employer engagement)	\$0.00
6-2683 (Marketing Events and Partnerships)	\$6,788.19
6-2686 (Sponsorships)	\$106,760.50
6-2684 (PR and Industry fund promotion)	\$369,661.44

- d. Budgeted costs from 1 July 2019 to 30 June 2020

Marketing and Advertising	\$
6-2681 (Communications BAU)	\$350,000
6-2682 (Communications initiatives)	\$50,000
6-2676 (Member attraction, engagement, retention)	\$340,000
6-2677 (TTR and allocated pension member attraction, engagement and retention)	\$87,000
6-2678 (Brand and website)	\$215,000
6-2679 (Employer engagement)	\$55,000
6-2683 (Marketing Events and Partnerships)	\$75,000
6-2686 (Sponsorships)	\$165,000
6-2684 (PR and Industry fund promotion)	\$522,000

- e. Budgeted cost from 1 July 2020 to 30 December 2020

Marketing and Advertising	\$
6-2681 (Communications BAU)	\$177,500
6-2676 (Member attraction, engagement, retention)	\$242,500
6-2677 (TTR and allocated pension member attraction, engagement and retention)	\$21,000
6-2678 (Brand and website)	\$62,500
6-2679 (Employer engagement)	\$2,500
6-2683 (Marketing Events and Partnerships)	\$37,500
6-2686 (Sponsorships)	\$70,000
6-2684 (PR and Industry fund promotion)	\$261,000

f. Budgeted cost from 1 January 2021 to 30 June 2021

Marketing and Advertising	\$
6-2681 (Communications BAU)	\$177,500
6-2676 (Member attraction, engagement, retention)	\$242,500
6-2677 (TTR and allocated pension member attraction, engagement and retention)	\$21,000
6-2678 (Brand and website)	\$62,500
6-2679 (Employer engagement)	\$2,500
6-2683 (Marketing Events and Partnerships)	\$37,500
6-2686 (Sponsorships)	\$70,000
6-2684 (PR and Industry fund promotion)	\$261,000

g. Budget has not been set.

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**First Super**

**FS104QW:** For each of the following categories, please provide the percentages of employees that are women, men, or who identify otherwise:

- a. all employees
- b. non-executive employees
- c. executive employees
- d. senior executive employees.

**Answer:**

- a. Identify otherwise 0, female 45%, male 55%
- b. Identify otherwise 0, female 50%, male 50%
- c. 0
- d. Identify otherwise 0, female 28%, male 72%.

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**First Super**

- FS105QW:** Do you have a target for the employment of:
- a. women as a share of:
    - i. all employees?
    - ii. executive employees?
    - iii. senior executive employees?
  
  - b. people who are gender non-binary as a share of:
    - i. all employees?
    - ii. executive employees?
    - iii. senior executive employees?

**Answer:**

- a.
  - i. No
  - ii. No
  - iii. No
  
- b.
  - i. No
  - ii. No
  - iii. No

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**First Super**

**FS106QW:** Since the introduction of Superstream, which has standardised the transfer of funds, has there been:

- a. A reduction in the cost to the fund for transferring funds, and if so, by how much?
- b. A reduction in the fees charged to members reflecting any saving, and if so, by how much?

**Answer:**

- a. No.
- b. No.



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**First Super**

**FS107QW:**

Greenhouse gas emissions:

- a. Does your fund have an internal target for your own greenhouse gas emissions footprint by:
  - i. 2030?
  - ii. 2035?
  - iii. 2040?
  - iv. 2045?
  - v. 2050?
  
- b. Does your fund have a target for reducing greenhouse gas emissions from investments by:
  - i. 2030?
  - ii. 2035?
  - iii. 2040?
  - iv. 2045?
  - v. 2050?
  
- c. Does your fund intend to divest from investments if they do not reach their greenhouse gas emissions reduction targets by:
  - i. 2030?
  - ii. 2035?
  - iii. 2040?
  - iv. 2045?
  - v. 2050?

**Answer:**

- a.
  - i. No.
  - ii. No
  - iii. No
  - iv. No
  - v. No
  
- b.
  - i. No
  - ii. No
  - iii. No
  - iv. No
  - v. No

- c.
  - i. Not applicable
  - ii. Not applicable
  - iii. Not applicable
  - iv. Not applicable
  - v. Not applicable

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**First Super**

**FS108QW:**

The New Daily

- a. Have you ever completed a cost benefit analysis of The New Daily to your fund?
  - i. If so, when did you complete this cost benefit analysis?
- b. Have you ever completed a cost benefit analysis of The New Daily to your members?
  - i. If so, when did you complete your cost benefit analysis of the New Daily to your members?

**Answer:**

- a. Yes
  - i. 2013
- b. Yes
  - i. 2013

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#### First Super

#### FS109QW:

Financial advisers remuneration

- a. Are your financial advisers paid:
  - i. a base salary?
  - ii. non-salaried remuneration, including bonuses?
- b. Are your financial advisers, who are only remunerated with a base salary, eligible to provide:
  - i. personal advice?
  - ii. general advice?

#### Answer:

- a.
  - i. Yes
  - ii. No
- b.
  - i. Yes
  - ii. Yes

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**First Super**

**FS110QW:** Have any technology innovations within the fund reduced the cost of operating the fund over the past decade?

If so, please outline:

- a. The technological innovations
- b. The cost saving
- c. The cost saving passed through to fees charged to members.

**Answer:**

- a. No
- b. Not applicable
- c. Not applicable.

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**First Super**

**FS111QW:**

Valuations

- a. What data is provided to valuation teams to assess the value of unlisted assets?
- b. When the fund provides data to valuation teams to assess the value of unlisted assets, does this include internal modelling of asset valuations?
- c. What assumptions are provided to valuation teams when assessing the value of unlisted assets?
- d. When valuation teams assess the value of unlisted assets, do they solely take account of past performance?
- e. When valuation teams assess the value of unlisted assets, what weighting do they take on the projected value of the market for such unlisted assets to inform their valuations?
- f. For the past decade can you please complete the below table for each unlisted asset valued under your valuation policy.

**Answer:**

- a. The fund has no internal valuation team.
- b. Not applicable.
- c. Not applicable.
- d. Not applicable
- e. Not applicable.
- f.

<b>Asset class</b>	Direct investment – Frontier Advisors	
<b>Financial year</b>	<b>In-house valuation conducted by</b>	<b>External valuation conducted by</b>
<b>2010/2011</b>	i.e., Deloitte	i.e., Ernst & Young
<b>2011/2012</b>		n/a
<b>2012/2013</b>		n/a
<b>2013/2014</b>		Value Advisor Associates (VAA)
<b>2014/2015</b>		n/a
<b>2015/2016</b>		n/a
<b>2016/2017</b>		VAA
<b>2017/2018</b>		n/a
<b>2018/2019</b>		n/a
<b>2019/2020</b>		n/a

<b>Asset class</b>	ME Bank	
<b>Financial year</b>	<b>In-house valuation conducted by</b>	<b>External valuation conducted by</b>
2010/2011	i.e., Deloitte	i.e., Ernst & Young
2011/2012	Not applicable	PwC*
2012/2013	Not applicable	PwC*
2013/2014	Not applicable	PwC*
2014/2015	Not applicable	PwC*
2015/2016	Not applicable	PwC*
2016/2017	Not applicable	PwC*
2017/2018	Not applicable	EY*
2018/2019	Not applicable	EY*
2019/2020	Not applicable	EY*

*\*We consent to being named as an external valuer for the shareholder but without reference to specific assets. So, the shareholder is able to name EY as an external valuer of their assets (but not specifically reference that we value ME Bank). (For the avoidance of doubt this also does not include disclosing the valuation or the report itself).*

<b>Asset class</b>	Industry Super Holdings	
<b>Financial year</b>	<b>In-house valuation conducted by</b>	<b>External valuation conducted by</b>
2010/2011	Not applicable	i.e., Ernst & Young
2011/2012	Not applicable	n/a
2012/2013	Not applicable	n/a
2013/2014	Not applicable	EY
2014/2015	Not applicable	EY
2015/2016	Not applicable	EY
2016/2017	Not applicable	EY
2017/2018	Not applicable	KPMG
2018/2019	Not applicable	KPMG
2019/2020	Not applicable	KPMG

<b>Asset class</b>	Superannuation Benefits Administration	
<b>Financial year</b>	<b>In-house valuation conducted by</b>	<b>External valuation conducted by</b>
2010/2011	Not applicable – valuation is NAV	KPMG
2011/2012	Not applicable – valuation is NAV	KPMG
2012/2013	Not applicable – valuation is NAV	KMPG
2013/2014	Not applicable – valuation is NAV	KPMG
2014/2015	Not applicable – valuation is NAV	KPMG
2015/2016	Not applicable – valuation is NAV	PWC
2016/2017	Not applicable – valuation is NAV	PWC
2017/2018	Not applicable – valuation is NAV	PWC
2018/2019	Not applicable – valuation is NAV	PWC
2019/2020	Not applicable – valuation is NAV	BDO

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#### First Super

**FS112QW:** In the Financial Services Royal Commission documentation an 'Audit and Risk Management Committee' paper was compiled for CBUS ('Review of payments made to sponsoring organisations'—

<https://financialservices.royalcommission.gov.au/public-hearings/Documents/Additional-exhibits-round-5/EXHIBIT-5.368.pdf>).

Please advise how many times, over the last decade, such a paper, or equivalent, has been prepared for:

- a. your Board?
- b. a Board subcommittee?
- c. executive management?

#### Answer:

- a. As is required for each arrangement
- b. As above.
- c. Nil.



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**First Super**

**FS113QW:** Over the past decade, how many non-disclosure agreements have you agreed to in relation to:  
a. human resources issues?  
b. sexual harassment issues?

**Answer:**  
a. None  
b. None

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#### First Super

#### FS114QW:

Do you use an internal clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund?

- a. What is the name of the clearing house?
- b. Why do you use a clearing house?
- c. How much does it cost annually to use the clearing house?
- d. How much does it cost annually to each member to use the clearing house?
- e. What happens to interest accrued from funds held in the clearing house?
- f. What happens to non-interest income and/or capital gains accrued from funds held in the clearing house?

#### Answer:

- a. No.
- b. No.
- c. Not applicable
- d. Not applicable
- e. Not applicable
- f. Not applicable

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#### First Super

#### FS115QW:

Do you use an external clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund?

If so:

- a. What is the name of the clearing house?
- b. Who owns the clearing house?
- c. Why do you use an external clearing house?
- d. How much does it cost annually to use the external clearing house?
- e. How much does it cost annually to each member to use the external clearing house?
- f. What happens to non-interest income and/or capital gains accrued from funds held in the external clearing house?

#### Answer:

- a. No.
- b. Not applicable
- c. Not applicable
- d. Not applicable
- e. Not applicable
- f. Not applicable

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#### First Super

#### FS116QW:

If you use an internal clearing house please outline when money is received into the clearing house:

- a. On average, how long does it stay in the clearing house before it:
  - i. is allocated to a member's account and/or fund?
  - ii. is allocated to purchase units for a member's account and/or fund?
  - iii. appears in a member's account and/or fund statement and/or online record?
  
- b. What is the longest time that it has stayed in the clearing house before it:
  - i. is allocated to a member's account and/or fund?
  - ii. is allocated to purchase units for a member's account and/or fund?
  - iii. appears in a member's account and/or fund statement and/or online record?
  
- c. What is the shortest time that it has stayed in the clearing house before it:
  - i. is allocated to a member's account and/or fund?
  - ii. is allocated to purchase units for a member's account and/or fund?
  - iii. appears in a member's account and/or fund statement and/or online record?
  
- d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
  - i. the individual member's account and/or fund?
  - ii. a different account and/or fund? If so, what is its name?
  
- e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
  - i. the individual member's account and/or fund?
  - ii. a different account and/or fund? If so, what is its name?

#### Answer:

Not applicable refer answer FS114.

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#### First Super

#### FS117QW:

If you use an external clearing house please outline when money is received into the clearing house:

- a. On average, how long does it stay in the clearing house before it:
  - i. is allocated to a member's account and/or fund?
  - ii. is allocated to purchase units for a member's account and/or fund?
  - iii. appears in a member's account and/or fund statement and/or online record?
- b. What is the longest time that it has stayed in the clearing house before it:
  - i. is allocated to a member's account and/or fund?
  - ii. is allocated to purchase units for a member's account and/or fund?
  - iii. appears in a member's account and/or fund statement and/or online record?
- c. What is the shortest time that it has stayed in the clearing house before it:
  - i. is allocated to a member's account and/or fund?
  - ii. is allocated to purchase units for a member's account and/or fund?
  - iii. appears in a member's account and/or fund statement and/or online record?
- d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
  - i. the individual member's account and/or fund?
  - ii. a different account and/or fund? If so, what is its name?
- e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
  - i. the individual member's account and/or fund?
  - ii. a different account and/or fund? If so, what is its name?

#### Answer:

Not applicable refer answer FS115.

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**First Super**

**FS118QW:** During the first half of 2020 there were significant market movements because of the economic response to the COVID-19 pandemic. Please complete the following table outlining the total payouts and losses in foreign exchange hedging.

**Answer:** Not applicable; the Fund does directly hedge foreign exchange exposure.

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**First Super**

**FS119QW:** Assuming a young Australian whose birthday was 1 July 1989, got their first job on 1 July 2005, opened a default superannuation account on 1 July 2005, made the average contribution of a person in that age bracket, using the default product offer made at that time and made no additional contributions, received the average growth, paid all fees, insurances and deductibles, please complete the following table.

**Answer:**

Age	Financial year	Annual average income of fund members from that age bracket in that year (\$)	Average Compulsory superannuation contribution in that year (%) of income	Resulting average annual superannuation contribution made (\$)*	All fees, insurances, indirect cost ratios and other deductibles not classified as fees (\$)	Average growth in that year (\$)	Balance at the end of that year (\$)
16	2005/2006	This data is not available as the Fund was created on 01/07/2008					
17	2006/2007	This data is not available as the Fund was created on 01/07/2008					
18	2007/2008	This data is not available as the Fund was created on 01/07/2008					
19	2008/2009	62,270.00	9.00%	4,763.66	398.68	- 1,807.44	12,934.53
20	2009/2010	65,327.60	9.00%	4,997.56	431.19	1,680.42	19,298.95
21	2010/2011	67,880.80	9.00%	5,192.88	461.38	1,456.49	25,634.76
22	2011/2012	70,340.40	9.00%	5,381.04	505.11	704.21	31,406.45
23	2012/2013	73,980.40	9.00%	5,659.50	588.83	4,628.43	41,337.14
24	2013/2014	75,602.80	9.25%	5,944.27	665.03	5,117.42	52,033.79
25	2014/2015	77,194.00	9.50%	6,233.42	738.73	5,171.19	63,073.36
26	2015/2016	78,832.00	9.50%	6,365.68	1,086.16	3,456.33	72,336.90
27	2016/2017	80,277.60	9.50%	6,482.42	1,363.98	8,657.20	86,918.04
28	2017/2018	82,482.40	9.50%	6,660.45	1,673.82	9,606.29	102,626.30
29	2018/2019	85,040.80	9.50%	6,867.04	1,971.12	7,082.11	115,915.06
30	2019/2020	89,122.80	9.50%	7,196.67	1,628.04	- 1,131.04	121,281.29

\*The average annual superannuation contributions have had 15% tax deducted.