

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

HOSTPLUS

HP155QW: Please provide as separated data, what the base salary and bonuses were, or are set to be, paid in the 2019/2020 and 2020/21 financial year for your:

- a) Chief Executive Officer or equivalent?
- b) Chief Investment Officer or equivalent?

Answer: Remuneration information is published on Hostplus's website and can be accessed at: <https://hostplus.com.au/super/about-us/remuneration-policy>. Information about remuneration for 2020/21 will be published in October 2021.

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HP156QW: Do you support superannuation funds delisting public companies?

Answer: Hostplus has an obligation to invest in the members' best financial interests. This can be met by identifying investment opportunities in both listed and unlisted markets.

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HP157QW:

Property investments

a) Do you have any current investments in the National Housing Finance and Investment Corporation? If so, what is the size of your investments?

b) Please provide information on the rental income for any residential property investments held for each year for the last five financial years.

Answer:

a) No.

b) To the extent the fund breaks down its investment returns by asset class, this is disclosed in the APRA fund level data. Returns are also reflected in members' daily credit rates.

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HP158QW:

Subscriptions to The New Daily

- a. Has your fund ever considered subscribing your members to The New Daily through an opt-out model? If so:
 - i. Was this proposed initially internally, or externally?
 - ii. Who proposed it?
 - iii. Who approved it?
 - iv. What was the approval process?
 - v. What legal advice was sought?
 - vi. On what date did it proceed, or is it proposed to proceed?
- b. Have the following groups ever enquired or requested your fund to subscribe your members to The New Daily:
 - i. Industry Super Holdings?
 - ii. The New Daily?

Answer:

- a) Hostplus has not offered its members subscriptions to The New Daily.
- b) The fund discusses possible arrangements with a range of news organisations and media companies, including The New Daily.

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HP159QW: What arrangements, including donations, commissions, marketing expenditure or partnerships, do you have that lead to payments to research organisations or ‘think tanks’?

Please provide:

- a. Names of the think tanks.
- b. Payments made over the last five years.

Answer: Hostplus has not made any payments to entities it considers to be “think tanks”. However, to assist in responding to this question, Hostplus would welcome receiving greater clarification on which organisations the Committee classifies as “think tanks”.

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HP160QW:

According to the Australian Financial Review (IFM's Tandem leaves workers in the lurch, 7 July 2021), IFM Investors have invested in a business that has left them wholly owning a subsidiary, Tandem Networks, that avoids them paying out the full entitlements of subcontractor. Therefore, if you are an owner of IFM Investors:

- a) Do you think it is acceptable that an investment made by your investment vehicle dishonours contractual arrangements with subcontractors?
- b) What inquiries have been made to ensure that subcontractors are being paid?
- c) What steps do you expect IFM Investors to go through should they not honour entitlements to subcontractors?
- d) Would you divest from IFM Investors should they not honour entitlements to subcontractors?

Answer:

Hostplus is not an investor in the IFM Fund which holds an investment in Tandem Networks.

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HP161QW:

At the House Economics superannuation hearing on 8 July 2021 representatives of Australian Super and CBUS outlined they were not aware that IFM Investors (a company wholly owned by industry funds) had paid a bonus of \$12m, and were asked whether they had asked questions about the bonus and the bonus structures within IFM Investors.

According to the Australian Financial Review (IFM Investors gives \$12.7m bonus to UK Director, 14 February 2020) a bonus of \$12.7 million bonus was paid.

According to the Sydney Morning Herald (A lot of bling: Industry shocked at \$36 million bonus allegation, 22 March 2019) bonus structures existed to allow for bonuses of up to \$36m to be paid.

Therefore, if you are an owner of IFM Investors, please advise:

- a) What inquiries have been made, or will be made, about bonuses of that size with IFM Investors?
- b) What information you have sought, or will seek, from IFM investors about bonus structures within IFM Investors?

Answer:

Hostplus understands that information about IFM's remuneration structures has already been provided to the Committee. Hostplus also understands that IFM's remuneration structures are designed to attract, retain, motivate, and align IFM staff to achieve superior returns for IFM's investors, which include superannuation funds like Hostplus, and their members.