

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR
REI Super**

REI101QW:

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. \$30,469.69
- b.
 - i. \$400,000
 - ii. \$365,297
 - iii. \$55,407*
 - iv. -
 - v. -
 - vi. -

These figures are for the financial year ending 30 June 2020.

*short term incentive for the financial year ending 30 June 2020.

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REI102QW:

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:

This information is not available.

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REI103QW:

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. 0
- b. One
- c. \$16,648.08
- d. Please see c.
- e. \$25,000 per campaign
- f. \$25,000. Currently there is one proposed campaign
- g. N/A – the Fund budget for the 2021/2022 financial year has yet finalised.

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REI104QW:

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. 63% female, 17% male – including directors
- b. 30% male, 60% female
- c. 50% female, 50% male
- d. N/A

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REI105QW:

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:

REI Super has in place a Diversity Policy and is a member of AIST, and adheres to the AIST Code of Governance. The Fund currently seeks to maintain at least 30% female representation among Board and senior management. As at 1 October 2020, this is at 35%.

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REI106QW:

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: This information is not available at this time.

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REI107QW:

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:

No. REI Super has in place an Environmental, Social & Governance Policy which includes the management of environmental, social and corporate governance risks in investment-making decisions.

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REI108QW:

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?
 - ii. Please provide a copy of the 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?
 - ii. Please provide a copy of the cost benefit analysis.

Answer:

a & b) No, as the Fund's investment in ISA is insignificant.

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REI109QW:

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:

This question is not applicable to REI Super. Financial advice for members is outsourced entirely to Mercer.

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REI110QW:

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:

This information is not available at this time.

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REI111QW:

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:

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REI112QW:

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:

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REI113QW:

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&b. 0

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REI114QW:

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?

If so:

- 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:

This question not applicable to REI Super.

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REI115QW:

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:

REI Super does not use a clearing house. The administration function is entirely outsourced to Mercer, who use Mercer Spectrum primarily. Their systems are compatible with any clearing house.

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REI116QW:

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:

This is not applicable to REI Super.

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REI117QW:

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?
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- 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?
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 - i. the individual member's account and/or fund?
 - ii. a different account and/or fund? If so, what is its name?

Answer: REI Super does not use an external clearing house. The administration function is entirely outsourced to Mercer, who use Mercer Spectrum primarily.

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REI118QW:

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.

Month in 2020	Payouts for FOREX hedges (\$)	Losses for FOREX hedges (\$)
January		
February		
March		
April		
May		
June		

Answer: This question is not applicable to REI Super.

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REI119QW:

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:

Detailed member salary information is not available.