

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**AMG SUPER**

**AMG85QW:**

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:**

AMG Super has no direct employees. Equity Trustees Superannuation Limited (ETSL) is the Responsible Superannuation Entity (RSE) of AMG Super. ETSL employees are not employed by AMG Super.

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**AMG SUPER**

**AMG86QW:**

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:**

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#### **AMG SUPER**

##### **AMG87QW:**

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:**

AMG Super did not engage in any marketing or advertising campaigns in 2020 and have not budgeted for any campaigns in 2021.

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**AMG SUPER**

**AMG88QW:**

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:**

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**AMG SUPER**

**AMG89QW:**

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:**

AMG Super has no direct employees. We have no targets for employment.

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#### AMG SUPER

#### AMG90QW:

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) There has been a reduction in the cost of transferring funds, however, it is difficult to quantify as other factors have changed since the introduction of SuperStream (such as technology, service charges, fund expenses, staffing). Our estimate is \$30,000 pa.
- b) Fees have reduced overall since the introduction of SuperStream. However, it is difficult to equate how much of this decrease is due to SuperStream versus other technological developments and increased scale. However, below are average decrease in fees:
  - a) MySuper member's fees have reduced by 0.48% pa over the last 7 years.
  - b) Personal Super member's fees have reduced by 0.11% pa over the last decade.
  - c) Pension member's fees have reduced by 0.26% pa over the last decade.

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**AMG SUPER**

**AMG91QW:**

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?

**ANSWER:**

- a) We have no internal target for our own greenhouse gas emissions footprint
- b) We have no target for reducing our greenhouse gas emissions from investments
- c) No

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**AMG SUPER**

**AMG92QW:**

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) We do not subscribe or use The New Daily
- b) We do not subscribe or use The New Daily



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**AMG SUPER**

**AMG93QW:**

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:**

AMG Super does not employ financial advisers.

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#### AMG SUPER

#### AMG94QW:

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) The technological innovations that have reduced the costs of operating the fund would be:
  - Straight Through Processing of SuperStream
  - Bulk processing / transaction capabilities
  - Annual statements delivered electronically
  - Use of robotics for data extract and analysis such as for invoicing
- b) These innovations have delivered costs savings. However, as the fund has grown, and other compliance obligations have increased the resources have been deployed to other areas of the business. IT is difficult to quantify the exact cost savings but below is an estimate for each item listed above:
  - Straight Through Processing of SuperStream – approximately \$30,000 pa
  - Bulk processing / transaction capabilities – approximately \$25,000 pa
  - Annual statements delivered electronically – approximately \$20,000 pa
  - Use of robotics for data extract and analysis such as for invoicing - \$25,000 pa
- c) These innovations have delivered costs savings. However, there have been significant other regulatory costs over the same period such as, increase APRA reporting obligation, PYS and PIMF. Despite this the fees charged to AMG Super members have decreased across the fund over the last decade. Below is average decrease:
  - MySuper member's fees have reduced by 0.48% pa over the last decade.
  - Personal Super member's fees have reduced by 0.11% pa over the last decade.
  - Pension member's fees have reduced by 0.26% pa over the last decade.

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**AMG SUPER**

**AMG95QW:**

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:**

AMG Super does not hold any direct unlisted assets.

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**AMG SUPER**

**AMG96QW:**

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:**

We have not prepared such a paper as we don't make payments to sponsoring organisations.

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**AMG SUPER**

**AMG97QW:**

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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**AMG SUPER**

**AMG98QW:**

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:**

AMG Super does not use an internal clearing house.

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#### **AMG SUPER**

#### **AMG99QW:**

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) SuperChoice
- b) CPS Industry Networks Pty Ltd
- c) We do not have the capabilities to run an internal clearing house
- d) Approximately \$15,000 per annum
- e) Costs are absorbed by the Administrator – they are not explicitly passed on to the fund or fund members.
- f) Not applicable – money does not flow via the Clearing House; all payments are made directly into the Fund's bank account and the Clearing House is used only for data transmission.

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#### AMG SUPER

#### AMG100QW:

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:

We do not use an internal clearing house



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#### AMG SUPER

#### AMG101QW:

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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- d) For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
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  - 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 – money does not flow via the Clearing House; all payments are made directly into the Fund's bank account and the Clearing House is used only for data transmission.

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**AMG SUPER**

**AMG102QW:**

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:**

<b>Month in 2020</b>	<b>Payouts for FOREX hedges (\$)</b>	<b>Losses for FOREX hedges (\$)</b>
<b>January</b>	0	0
<b>February</b>	0	0
<b>March</b>	0	0
<b>April</b>	0	0
<b>May</b>	0	0
<b>June</b>	0	0

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**AMG SUPER**

**AMG103QW:**

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	\$44,319.60	9%	\$3,589.89	\$110.68	\$114.28	\$3,704.17
17	2006/2007	\$44,319.60	9%	\$3,988.76	\$182.13	\$650.96	\$8,343.89
18	2007/2008	\$49,810.80	9%	\$4,482.97	\$246.59	-\$1,206.91	\$11,619.96
19	2008/2009	\$49,810.80	9%	\$4,482.97	\$272.78	-\$602.60	\$15,500.33
20	2009/2010	\$52,535.60	9%	\$4,728.20	\$354.33	\$1,246.38	\$21,474.91
21	2010/2011	\$52,535.60	9%	\$4,728.20	\$446.96	\$1,269.97	\$27,473.09
22	2011/2012	\$59,800.00	9%	\$5,382.00	\$517.29	\$678.94	\$33,534.03
23	2012/2013	\$59,800.00	9%	\$5,382.00	\$644.52	\$4,794.15	\$43,710.18
24	2013/2014	\$61,531.60	9.25%	\$5,691.67	\$830.21	\$4,080.14	\$53,482.00
25	2014/2015	\$61,531.60	9.50%	\$5,845.50	\$741.70	\$4,235.52	\$63,563.02
26	2015/2016	\$55,983.20	9.50%	\$5,318.40	\$812.05	\$1,827.39	\$70,708.82
27	2016/2017	\$55,983.20	9.50%	\$5,318.40	\$909.69	\$5,178.39	\$81,205.61
28	2017/2018	\$58,635.20	9.50%	\$5,570.34	\$1,012.03	\$5,395.33	\$92,171.29
29	2018/2019	\$58,635.20	9.50%	\$5,570.34	\$1,101.72	\$6,754.69	\$104,496.32
30	2019/2020	\$58,635.20	9.50%	\$5,570.34	\$1,223.31	-\$1,326.73	\$108,739.93
			<b>TOTALS</b>	<b>\$75,650.02</b>	<b>\$9,405.98</b>	<b>\$33,089.92</b>	<b>\$108,739.93</b>

\* we have used the Employee Earnings and Hours report from the ABS; we have assumed: employer pays SG monthly and first payment not received till 01-08-2005 in line with the member starting their job 01-07-2005